

CANADA

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OFFICIAL REPORT

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HOUSE OF COMMONS

Monday, February 15, 1971

The House met at 2 p.m.

PRIVILEGE

MR. STEWART (COCHRANE)—FAILURE TO DISPLAY CANADIAN FLAG IN HOUSE

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I rise on a question of privilege on this day, the 15th of February, because it is six years ago that a new Canadian flag was promulgated in Canada. It has long been my contention that regardless of the opinions we may have individually as to the design of that flag, we all wish to honour the flag of our country in a way that is befitting.

Mr. Horner: Stop the government cutting it up.

Mr. Stewart (Cochrane): Since most legislatures in the world display their flags at their centres of government and since in Canada we have never had that custom in the House of Commons, it would appear to me that there would be unanimous consent by hon. members to have the flag of Canada displayed in this House.

My question of privilege, Mr. Speaker, rests on the point that the members of this House are denied the presence of the flag in the House when enacting the laws of this country and that the people of Canada who come here to visit would also like to see their flag displayed here but up to now have been denied this privilege.

• (2:10 p.m.)

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Cochrane has given the Chair notice of the question of privilege he proposes to submit to the House at this time. As the hon. member knows, the Chair is required to rule whether there is a prima facie case of privilege. I think the House will agree with the Chair that although the hon. member may have a point of debate and a valuable suggestion for consideration by the House, the matter should not be raised by way of a question of privilege. The hon. member may have a motion which could be submitted to the House in the regular way, but it cannot be brought to our attention in this way. I regret, therefore, that the matter cannot be pursued further by way of a question of privilege.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

TABLING OF AGREEMENT BETWEEN CANADA AND ISRAEL RESPECTING COMMERCIAL SCHEDULED AIR SERVICES

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to table in French and English an agreement recently entered into by the government of Canada with the government of Israel concerning commercial scheduled air services.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*INFORMATION CANADA

Question No. 80—**Mr. Orlikow:**

1. Would the Minister without Portfolio responsible for Information Canada table in Parliament all the background studies, consultant reports, etc., that were prepared by the Task Force on Government Information?

2. Would the Minister also table in the House all the reports, documents, studies, undertaken in the Privy Council Office regarding the establishment of Information Canada?

Mr. Barney J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the studies and reports prepared by the Task Force on Government Information are at present being assembled and indexed. When this work is completed it is proposed to submit a set to the Library of Parliament, where they will be available to all members.

In reply to part 2, Mr. Speaker, these internal documents and as such are privileged and not customarily disclosed.

OTTAWA—CANADIAN GOVERNMENT EXHIBITION COMMISSION

Question No. 296—**Mr. Paproski:**

1. Were tenders called for contract 67-N.C.R.-4 construction of a warehouse and office building for the Exhibition Commission and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, what was the reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (x) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) Eleven tenders were received and opened on March 15, 1967. (b) Highest tender, $2,876,700; lowest tender,

Questions

$2,548,000. (c) Lowest tender. (d) Public advertisement: Newspapers—Montreal, Toronto, Ottawa and Hull; Daily Commercial News, Toronto; Heavy Construction News, Toronto.

2. Not applicable.

3. Ron Engineering & Construction Ltd.

4. (a) and (b), (i) $25,500 (est.)—Architectural supervision was provided by employees of the Department of Public Works. (ii) $34,065—J. L. Richards & Associates (Structural, Mechanical and Electrical). (iii) to (x) In very few cases does the Department require the General Contractor to list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The Contractural arrangements are directly between the Department and the General Contractor. Consequently the matter of performance bonds and insurance for subcontractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Warehouse and Office, Exhibition Commission—Contract 67-N.C.R.-4

1. Piling (Franki Pile Limited)	$ 14,300.00
2. Drywall, lath and plaster	112,770.00
3. Structural steel (Canadian Iron Foundries Limited)	383,910.00
4. Excavation	55,298.00
5. Mechanical (John Colford Contracting Company Limited)	544,600.00
6. Elevators	68,000.00
7. Precast concrete roof deck (Domtar Construction Limited)	160,943.00
8. Electrical (Meco Electric (1960) Limited)	314,446.00
9. Masonry (George & Asmussen Limited)	55,000.00
10. Overhead doors	18,500.00
11. Reinforcing steel supply	22,200.00
12. Wire wesh	30,470.00
13. Tile and terrazzo	7,500.00
14. Precast wall cladding	40,500.00
15. Roofing and sheet metal	25,513.00
16. Venetian blinds	1,180.00
17. Glass and aluminum windows	35,750.00
18. Metal doors and frames	15,800.00
19. Monorails and hoists	18,826.50
20. Weigh scale (Toledo Scales)	4,144.91
21. Miscellaneous metals	47,500.00
22. Dock levellers	2,646.96
23. Rubber doors	1,456.00
24. Asphalt paving (Dibblee Construction Company Limited)	27,525.00
25. Cement finishing	36,076.00
26. Insulation	3,020.00
27. Millwork	9,923.00
28. Concrete curbs	7,800.00
29. Caulking	1,700.00
30. Resilient flooring (Capital Tile & Flooring Limited)	16,195.00
31. Acoustic ceilings	17,332.00
32. Painting (Coleman, Cinkant & Son Limited)	17,700.00
33. Finishing Hardware (Canadian Hardware Consultants Limited)	9,200.00
34. Movable Partitions (Murphy & Morrow Limited)	43,000.00
35. Concrete	141,735.00
36. Formwork	87,500.00
37. Carpentry	15,000.00
38. Bond, insurance and permits	25,000.00
39. General condition	108,039.63

PUBLIC WORKS—CANADIAN GOVERNMENT PRINTING BUREAU, OTTAWA

Question No. 300—**Mr. Paproski:**

1. Were tenders called for contract CR-67-2714 to cover renovations for a computer system, at the National Printing Bureau and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, what was the reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. Yes. (a) Six tenders were received and opened on June 22, 1967. (b) Highest tender, $37,800.; lowest tender, $29,106. (c) Lowest tender. (d) Public advertisement: Newspapers, Ottawa and Hull.

2. Not applicable.

3. D. K. Young Construction Company Limited.

4. (a) and (b), (i) $450 (est.)—Architectural supervision was provided by employees of the Department of Public Works. (ii) None. (iii) to (x) In very few cases does the Department require the General Contractor to

list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The contractual arrangements are directly between the Department and the General Contractor. Consequently the matter of performance bonds and insurance for subcontractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Alterations for Computer System, National Printing Bureau—Contract N.C.R.-67-2714

Electrical (Unives (Canada) Limited)	$ 3,980.00
Mechanical (Gendron Limited)	12,495.00
Blinds	300.00
Partitions (Murphy & Morrow Limited)	9,000.00
Flooring (Pedlar People Limited)	1,000.00
Painting	300.00
Supervision and Overhead, etc.	2,031.00

PUBLIC WORKS—K. W. NEATBY BUILDING, OTTAWA

Question No. 322—**Mr. Paproski:**

1. Were tenders called for contract OC-00036—Alterations, K. W. Neatby Building and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, for what reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) Ten tenders were received and opened on March 19, 1970. (b) Highest tender, $49,580.; lowest tender, $36,200. (c) Lowest tender. (d) Public advertisement. Newspapers—Ottawa and Hull; Journal Constructo, Ottawa.

2. Not applicable.

3. Comac Construction Company Limited.

4. (a) and (b), (i) $550 (est.)—Architectural supervision was provided by employees of the Department of Public Works. (ii) None. (iii) to (x) In very few cases does the Department require the General Contractor to list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The contractual arrangements are directly between the Department and the General Contractor. Consequently the matter of performance bonds and insurance for subcontractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Alterations, K. W. Neatby Building, Central Experimental Farm—Contract OC-00036

1. Insurance, permits, overhead and profit	$ 3,791.00
2. Move on site, demolish partitions & doors, remove millwork	510.00
3. New block partitions	1,300.00
4. Plastering	700.00
5. Millwork	5,200.00
6. Door frames	130.00
7. Venetian Blinds	50.00
8. Acoustical ceilings	235.00
9. Finish hardware, installed	425.00
10. Painting and finishing	415.00
11. Vinyl tile flooring	723.00
12. Mechanical	17,383.00
13. Electrical	5,338.00

PUBLIC WORKS—HEADQUARTERS BUILDING, DEPARTMENT OF EXTERNAL AFFAIRS, OTTAWA

Question No. 323—**Mr. Paproski:**

1. Were tenders called for contract OC-01865—Construct Headquarters Building for the Department of External Affairs and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, for what reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) Five tenders were received and opened on May 5, 1970. (b) Highest tender, $26,700,000.; lowest tender, $25,711,000. (c) Lowest tender. (d) Public advertisement: Newspapers—Montreal, Toronto, Ottawa and Hull; Daily Commercial News & Building Record, Toronto; Heavy Construction News, Toronto; Journal Constructo, Ottawa.

2. Not applicable.

Questions

3. The Foundation Company of Canada Limited and Janin Building & Civil Works Limited. Negotiations undertaken subsequent to tender closing resulted in the revised tender in the amount of $25,617,000.

4 (a) and (b), (i) $480,000 (est.)—Webb, Zerafa, Menkes, Architects. (Work currently underway.) (ii) None. (iii) to (x) In very few cases does the Department require the General Contractor to list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The contractual arrangements are directly between the Department and the General Constractor. Consequently the matter of performance bonds and insurance for subcontractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Construct Headquarters Building for the Department of External Affairs—Contract Oc-1865

1. Mobilization	$ 506,255.00
2. General Accounts	929,169.00
3. Excavation	406,822.00
4. Structural concrete except resteel	2,869,830.00
5. Reinforcing steel	1,475,000.00
6. Rough carpentry	32,872.00
7. Asphalt paving (Beaver Asphalt)	11,000.00
8. Rock anchors (Conenco)	23,193.00
9. Precast concrete (Schokbeon Quebec Inc.)	2,209,995.00
10. Masonry (George & Asmussen)	430,241.00
11. Structural steel (Canron)	418,315.00
12. Miscellaneous metals (Ottawa Iron Works)	490,890.00
13. Steel deck (Robertson-Irwin)	7,600.00
14. Building insulation (Dewar-Duron-Diamond)	677,000.00
15. Caulking, sealing and weatherstrip (Dominion Caulking Co. Ltd)	18,700.00
16. Hollow metal (Macotta)	34,743.00
17. Aluminum windows (Zimmcor Company)	890,000.00
18. Overhead doors (Pelle & Ambico)	12,662.00
19. Rolling shutters	1,302.00
20. Wood and plastic doors (Gardiner's of Gault Limited)	119,700.00
21. Steel toilet partitions (General Steelwares)	9,160.00
22. Washroom accessories (National Material Handling)	33,500.00
23. Chalkboards and Tackboards (Delta Ontario Limited)	3,520.00
24. Door grilles (Hart & Coolley)	1,144.00
25. Dock ramps and bumpers (Service Steel and Engineering)	2,866.00
26. Vertical conveyor systems (Mathews Conveyer Company Limited)	530,374.00
27. Pneumatic tube system (Power Regulator Co. of Canada Ltd.)	33,919.00
28. Elevators (Dover Corp. Canada Limited)	982,890.00
29. Mechanical (Canadian International Comstock Company Limited)	5,643,860.00
30. Electrical (Univex Canada Limited)	3,109,872.00
31. Vault Door	606.00
32. Post tendered items P.C. allowance	3,700,000.00

[Mr. Laing.]

WAR MEASURES ACT—ARRESTS OF MEMBERS OF COMPANY OF YOUNG CANADIANS

Question No. 371—**Mr. Coates:**

1. Were any members of the Company of Young Canadians arrested under the War Measures Act since October 16, 1970 and, if so (*a*) what are the names of the persons arrested (*b*) where did they reside (*c*) how long were they held in each instance (*d*) were charges laid against any of them (*e*) are they still members of the Company of Young Canadians?

2. Were any of the offices of the Company of Young Canadians closed since October 16, 1970 and, if so (*a*) which offices (*b*) at whose request (*c*) in each instance, what were the names of people involved in these offices as members of the Company of Young Canadians?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of the Solicitor General and the Company of Young Canadians as follows: 1. Yes. One as of November 5, 1970. (a) It is not in the public interest to release the name of any person who is arrested under the War Measures Act and then released without being charged. (b) Quebec city. (c) Held five days. (d) No. (e) Yes.

2. No.

DEFECTIVE TIRES

Question No. 522—**Mr. Mather:**

Is consideration being given to requiring tire manufacturers to maintain records of the names and addresses of tire purchasers so that they may be notified if the tires prove defective?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Motor Vehicle Safety Act does not require tire manufacturers to maintain records of the names and addresses of tire purchasers so that they may be notified if the tires prove defective. Such defect notification, under the Act, is the responsibility of the vehicle manufacturer, distributor or importer in respect to the tires with which the vehicle is equipped. The provincial authorities are reviewing the quality control of tires retailed in their provinces and consideration is being given to tire standards regulations.

MOTORCYCLE CONTROLS

Question No. 523—**Mr. Mather:**

Is consideration being given to requiring the standardization of motorcycle controls as to location, operation and identification of such controls to facilitate their safe operation?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Over the years, a standard set of controls has evolved for such motor vehicles as passenger cars and trucks. Where operators may frequently change vehicle, such standardization of control location, operation and identification contributes to the safe operation of the vehicle. Consideration is now being given to standardization of controls on both motorcycles and snowmobiles.

EQUIPMENT OF MOTORCYCLES WITH SIGNAL LAMPS

Question No. 524—**Mr. Mather:**

Is consideration being given to requiring that all motorcycles be equipped with turn signal lamps?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Motorcycles present a poorly defined target in the general traffic environment, particularly at night, and are capable of high mobility. These two factors combine to make it desirable to increase the visual impact of this type of vehicle and the intentions of the operator. A contribution to this end can be made by requiring the fitting of the signal lamps to all motorcycles, and consideration is being given to this.

AUTOMOBILES—CONSUMER INFORMATION BOOKLET

Question No. 525—**Mr. Mather:**

Is consideration being given to the publication of an annual consumer information booklet designed to help the new car buyer know more about the safety performance of the automobile?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The publication of an annual consumer information booklet about the safety performance of motor vehicles is under review. So far it has not been established that this information would be of practical value to the consumer or that it would be an appropriate requirement of the Motor Vehicle Safety Act.

DISABLED VEHICLE WARNING DEVICES

Question No. 526—**Mr. Mather:**

Is consideration being given to requiring motor vehicle manufacturers to equip new vehicles with warning devices, which, in emergencies, can be erected on or near the roadside to alert approaching drivers of the presence of a disabled vehicle?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): For many years, provincial regulation of truck operations has included requirements relating to the provision and use of emergency flares or equivalent devices. Such devices offer an advance warning of any disabled vehicle. Consideration is being given to extending this practice and assisting provincial regulation through a requirement that all motor vehicles be equipped with devices having specified characteristics.

CONTROL OF TRUCKS AND BUSES NOISE LEVELS

Question No. 567—**Mr. Mather:**

Is consideration being given to setting standards to control the noise level inside trucks and buses?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Motor Vehicle Safety Act provides authority to establish standards limiting the noise level of vehicles. Noise regulations have already been issued for snowmobiles and consideration is now being given to further regulations establishing standards to control the noise levels of trucks and buses.

CNR—NEWFOUNDLAND PASSENGER SERVICE

Question No. 587—**Mr. Carter:**

1. What was the number of revenue passengers carried in 1969 and up to September 30, 1970, by CNR in Newfoundland?

2. What was the total revenue received?

3. What was the cost of operating CNR's passenger transport service in Newfoundland during the same period?

4. What was the profit or losses on the operation during the same period?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows:

	1969	January-November 1970
1. Revenue passengers	137,169	138,905
2. Total revenue	$807,498	$ 766,177
3. Operating expenses	$975,866	$1,145,474*
4. Loss	$168,368	$ 379,297

* The increase in operating expenses is attributable to higher wages for bus drivers, repair costs (due to heavy accumulation of mileage resulting in major overhauls), modifications to buses to comply with the requirements of the provincial government and an increase in the number of buses operated from 20 to 22.

CNR—NUMBER OF PASSENGERS TRAVELLING BETWEEN MONTREAL AND OTTAWA

Question No. 640—**Mr. Orlikow:**

1. How many pasengers travelled on CNR trains, Ottawa to Montreal and Montreal to Ottawa, each week for the past three years?

2. What percentage of full capacity did this represent?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. The weekly average

number of passengers travelling on all trains operating between Montreal and Ottawa were as follows:

	1968	1969	1970
Montreal to Ottawa	2911	2951	2754
Ottawa to Montreal	2637	2577	2755

2. As train consists are adjusted to meet the day to day and seasonal demands, the information required to answer the question is not readily available and would entail considerable time and expense to develop.

CNR—NUMBER OF MEALS SERVED ON TRAINS TRAVELLING BETWEEN MONTREAL AND OTTAWA

Question No. 641—**Mr. Orlikow:**

How many meals were served on CNR trains, Ottawa to Montreal and Montreal to Ottawa, each week for the past three years?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: The weekly average number of meals served on all trains operating between Montreal and Ottawa were as follows:

	1968	1969	1970
Montreal to Ottawa	794	532	681
Ottawa to Montreal	811	792	705

For the year 1970 the weekly average represents about fifty meals per one way dining car trip or approximately two sittings per one way trip.

MAXIMUM SPEED CONTROL ON AUTOMOBILES

Question No. 653—**Mr. Mather:**

Is consideration being given to requiring the installation of a device on motor vehicles which will limit speed to a maximum of 85 miles per hour and which will automatically blow such vehicle's horns when that speed is reached?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Consideration is being given to a proposed standard for high speed warning and control on motor vehicles. One proposed standard currently under discussion in the United States would require that the vehicle's horn be actuated and the vehicular warning signals flash continuously when the vehicle exceeds a designated speed.

AIR CANADA—MANAGEMENT CONSULTATION REPORT

Question No. 663—**Mr. Fortin:**

1. Has the government tabled the management consultation report on Air Canada, and (a) if so, on what date (b) if not, for what reasons?

2. What company acted as management consultant?

3. What was it paid?

4. Is the administrative reorganization of Air Canada completed?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: In so far as Air Canada is concerned: re: 1, 2, 3 and 4: The document requested is a proprietary internal company document relating to internal matters of management and administration within the Company and it is not intended, therefore, to table it in Parliament. However, as the Minister of Transport has previously indicated in reply to earlier similar enquiries, questions relating to the reorganization of Air Canada might quite properly be addressed to the executive officers of Air Canada at the appropriate time when they appear before Parliamentary Committee, in view of the complexity of this subject.

PENITENTIARY ACT—NUMBER OF PERSONS CONFINED BY GOVERNMENT

Question No. 698—**Mr. Sullivan:**

1. As of January 1, 1971, how many persons were confined in institutions operated by the Government of Canada under the Penitentiaries Act?

2. Of those in such institutions, how many were in the age groups (a) 13-15 (b) 16-20 (c) 21-24 (d) 25-30 (e) 31-40 (f) 41-50 (g) 51-60 (h) over 61?

3. What are the names and locations of all such institutions and the number of inmates by institution?

4. What different types, *e.g.* maximum security, minimum security, etc., is each such institution?

5. What are the names and salaries of all (a) psychiatrists (b) psychologists (c) sociologists (d) social workers (e) welfare and classification officers (f) correctional officers, employed and rendering services to inmates of all such institutions?

Hon. Jean-Pierre Goyer (Solicitor General): 1. 7,154.

2. (a) None; (b) 857; (c) 1,588; (d) 1,857; (e) 1,703; (f) 811; (g) 250; (h) 88.

3 and 4.

Institution (35)	Location	No. of Inmates	Type
Dorchester Penitentiary	Dorchester, N.B.	358	Maximum
Springhill Institution	Springhill, N.S.	239	Medium
St. Vincent de Paul Penitentiary	Ville Laval, P.Q.	434	Maximum
Cowansville Institution	Cowansville, P.Q.	349	Medium
Federal Training Centre	Ville Laval, P.Q.	276	Medium

Questions

Institution (35)	Location	No. of Inmates	Type
Leclerc Institution	Ville Laval, P.Q.	435	Medium
Special Correctional Unit (Quebec)	Ville Laval, P.Q.	62	Maximum
Archambault Institution	Ste. Anne des Plaines, P.Q.	378	Maximum
Kingston Penitentiary	Kingston, Ontario	702	Maximum
Collins Bay Penitentiary	Kingston, Ontario	372	Medium
Joyceville Institution	Joyceville, Ontario	413	Medium
Warkworth Institution	Campbellford, Ontario	267	Medium
Manitoba Penitentiary	Stony Mountain, Man.	356	Medium
Saskatchewan Penitentiary	Prince Albert, Sask.	368	Maximum
Drumheller Institution	Drumheller, Alberta	353	Medium
British Columbia Penitentiary	New Westminster, B.C.	434	Maximum
Matsqui Institution	Abbotsford, B.C.	273	Medium
Blue Mountain Correctional Institution	Westfield, N.B.	38	Minimum
St. Hubert Centre	Montreal, P.Q.	11	Minimum
Laval Minimum Security Institution	Ville Laval, P.Q.	104	Minimum
Beaver Creek Correctional Camp	Gravenhurst, Ontario	67	Minimum
Landry Crossing Correctional Camp	Petawawa, Ontario	51	Minimum
Prison for Women	Kingston, Ontario	86	Maximum
Montgomery Centre	Toronto, Ontario	6	Minimum
The Osborne Centre	Winnipeg, Manitoba	15	Minimum
William Head Institution	Metchosin, British Columbia	82	Minimum
Agassiz Correctional Work Camp	Agassiz, British Columbia	66	Minimum
Mountain Prison	Agassiz, British Columbia	172	Maximum
West Georgie Centre	Vancouver, B.C.	8	Minimum
Dorchester Penitentiary Farm Annex	Dorchester, B.C.	46	Minimum
Ste. Anne des Plaines Work Annex	Ste. Anne des Plaines, P.Q.	60	Minimum
Collins Bay Penitentiary Farm Annex	Kingston, Ontario	78	Minimum
Joyceville Penitentiary Farm Annex	Joyceville, Ontario	81	Minimum
Manitoba Penitentiary Farm Annex	Stony Mountain, Manitoba	63	Minimum
Saskatchewan Penitentiary Annex	Prince Albert, Sask.	51	Minimum

5. The information sought here would require obtaining and typing essential data on about 2,400 individual employees of the Canadian Penitentiary Service.

TRAINING OF PENITENTIARY CORRECTIONAL OFFICERS

Question No. 700—**Mr. Sullivan:**

1. What training, if any, is given to guards or correctional officers before hire into the Penitentiary Service?

2. How many staff colleges for the training of personnel for the Penitentiary Service were operated by the Government of Canada since September 1, 1969?

3. How many persons in the federal Penitentiary Service have been dismissed since September 1, 1969 and for what reasons?

4. How many employees of the federal Penitentiary Service have been disciplined in the last twelve months and for what reasons?

Hon. Jean-Pierre Goyer (Solicitor General): 1. On recruitment by the Canadian Penitentiary Service on a probationary basis, each correctional officer is given a six weeks' course regarding his custodial duties before he is given further on-the-job training.

2. Three.

3. Eleven employees of the federal Penitentiary Service have been dismissed for the following reasons, since September 1, 1969: Abandoning their posts, 8; Unsatisfactory performance during probationary period, 2; Committing a criminal offence, 1.

4. Ninety-eight employees of the federal Penitentiary Service have been disciplined for the following reasons during the period Jan. 1 to Dec. 31, 1970; Absence without leave, 18; Negligently performing duties, 29; Under influence of alcohol, 6; Abuse of leave privileges, 6; Sleeping while on duty, 8; Failure to obey lawful orders, 21; Being insolent or insulting to superiors, 3; Committing an act that is unbecoming as a member of the Service, 4; Causing damage to government property, 1; Refusing to answer a question when required to do so at an institutional court, 1; Making a false statement related to his appointment or employment, 1; Total 98.

PUNISHMENT AND SUICIDES IN FEDERAL PENAL INSTITUTIONS

Question No. 701—**Mr. Sullivan:**

1. How many inmates in federal penal institutions received physical or corporal punishment in such institutions since September 1, 1969?

2. (a) How many cases of (i) suicide (ii) attempted suicide, occurred in such institutions since September 1, 1969 (b) on what dates (c) at what institutions did the acts take place?

Hon. Jean-Pierre Goyer (Solicitor General): 1. One, administered at Kingston Penitentiary by order of an outside court.

2. Act	Dates	Institution
(a)(i) Suicides 23:	(b) September 6; December 16, 1969	(c) Dorchester Penitentiary
	October 30; November 13, 1969; January 5; February 4, 14; March 5, 24; May 16, 19; August 22, 31, 1970	St. Vincent de Paul Penitentiary
	March 28, 1970	Leclerc Institution
	November 9, 1970	Manitoba Penitentiary
	February 1; June 1; December 6, 1970	Saskatchewan Penitentiary
	April 6; June 11, 1970	British Columbia Penitentiary
	June 25, 1970	William Head Institution
	December 24, 1969; January 3, 1971	Kingston Penitentiary
(ii) Attempted Suicides 80:	March 20; June 6; October 1; September 5, 1970	St Vincent de Paul Penitentiary
	January 13; November 30, 1970	Leclerc Institution
	March 4; July 9, 17, 1970	Special Correctional Unit (Quebec)
	December 19, 1970	Manitoba Penitentiary
	November 13; December 19, 1969; January 4, 5, 16; February 2, 3, 7, 15, 16, 19, 28; April 5, 21; June 28; July 9; August 28; September 12, 13; October 19(2); November 24; December 7, 20, 1970	Saskatchewan Penitentiary

Questions

Act	Dates	Institution
	December 28, 1970	Drumheller Institution
(ii) Attempted Suicides 80: (continued)	September 6; November 28; December 16, 1970	British Columbia Penitentiary
	September 15, 1969; September 25; October 8, 1970	Matsqui Institution
	September 28, 1970	Mountain Prison
	July 1, 1970	Joyceville Institution
	November 26, 1969; November 30, 1970	Prison for Women (Kingston)
	September 22; October 21; November 6, 29; December 8, 25, 30, 31(2); 1969; January 18; March 16; May 8, 10, 17, 19; June 4, 10(2), 19; July 4(2); July 17, 20, 23, 27, 29, 31; August 1, 2, 8, 23; September 26; October 21; November 26; December 18, 1970	Kingston Penitentiary

Note: Thirty-five of the attempted suicide cases were considered to be manipulative gestures on the part of the inmates concerned. However, there is no positive way to differentiate between those and genuine suicidal attempts.

FEDERAL PENAL INSTITUTIONS—HOSTAGES TAKEN

Question No. 702—**Mr. Sullivan:**

How many times since September 1, 1969, have hostages been taken by inmates in federal penal institutions?

Hon. Jean-Pierre Goyer (Solicitor General): Eight times.

EMPLOYMENT OF FRANK HOWARD WITH DEPARTMENT OF COMMUNICATIONS

Question No. 705—**Mr. Coates:**

Has Mr. Frank Howard been selected for a position with the Department of Communications and, if so (a) what was his former position (b) what position does he hold within the Department (c) on what basis was the selection made and were the principles of the merit system applied (d) what is the annual salary for the position?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. Mr. Frank Howard was appointed to a position with the Department of Communications on September 2, 1969. (a) Reporter Toronto "Globe and Mail". (b) Director of Information Services. (c) Selection was made through the continuing staffing program 69-310 in accordance with Section 10 of the Public Service Employment Act which requires that appointments be based on selection according to merit. (d) $16,379 to $18,611.

[*English*]

NATIONAL LIBRARY ACT—APPOINTMENT OF ADVISORY COUNCIL

Question No. 729—**Mr. Dinsdale:**

1. Has the Advisory Council, provided for under the National Library Act, been appointed?
2. Who are the members of the Council and what are their credentials?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The 9 persons to be appointed by the Governor in Council as members of the National Library Advisory Board under Section 9(2)(d) of the National Library Act have not been appointed as yet by the Governor in Council; the 2 persons provided under (c) have been nominated by the Canada Council and the Association of Universities and Colleges of Canada and their names will be released when all appointments are completed.

2. The present members of Council are the ex officio members, that is Dr. J. G. Sylvestre, National Librarian; Mr. Erik J. Spicer, Parliamentary Librarian; Dr. W. I. Smith, Dominion Archivist and Dr. Jack E. Brown, Librarian of the National Science Library of the National Research Council of Canada.

Questions

[*English*]

FINANCIAL ASSISTANCE TO CARIBBEAN REGION

Question No. 739—**Mr. Robinson:**

1. How many Caribbean countries are to receive financial support by way of grants and/or loans in the year 1971?
2. What is the amount of each?
3. What are the terms of repayment, if any?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Allocations for fiscal year 1971/72 have not been approved by Cabinet but during fiscal year 1970/71 the following countries, country groups, and institutions received allocations for development assistance under Canada's program of assistance to the Caribbean region in the amounts indicated:

2.

	($000,000 Cdn.)		
	Grants	Loans	Total
Jamaica	1.20	4.00	5.20
Trinidad and Tobago	—	5.00	5.00
Guyana	2.00	2.50	4.50
Barbados	.80	1.00	1.80
British Honduras	.50	—	.50
Leeward and Windward Islands	6.00	—	6.00
University of the West Indies	1.00	—	1.00
Total	11.50	12.50	24.00

3. In the case of a grant, no repayment is required. Development loans are made to Guyana, on terms of 0 per cent interest repayable over 50 years, including a ten-year grace period. Loans to Jamaica, Trinidad and Tobago, and Barbados are made on terms of 3 per cent interest repayable over 30 years, including a seven-year grace period.

SMALL BUSINESSES LOANS ACT—GRANTS MADE TO RESIDENTS OF NORTHWEST TERRITORIES AND YUKON

Question No. 743—**Mr. Howard (Skeena):**

1. What grants have been made under the Small Businesses Loans Act to residents of the Northwest Territories and the Yukon?

2. What were the amounts of the grants and to whom were they made?

3. What was the location of the proposed business and what was the purpose of each grant?

Hon. E. J. Benson (Minister of Finance): 1, 2, and 3. The Small Businesses Loans Act does not provide for grants to be made. The Federal government guarantees certain loans made to individual applicants by the chartered banks and other designated lenders. The lenders then report their loans under the program, by bank region. Small Businesses Loans made to borrowers in the Yukon and Northwest Territories are reported under the bank regions concerned, British Columbia and Alberta respectively, and it would not be practicable to extract the information requested.

EXCISE TAX RECEIVED FROM TOBACCO SALES

Question No. 757—**Mr. Robinson:**

What is the total amount of excise tax received from the sale of tobacco for each of the years 1960 to 1970 inclusive?

Hon. Herb Gray (Minister of National Revenue):

Statement of Excise Tax Collected on Tobacco Products for Fiscal Years Ending March 31, 1960 to March 31, 1970

Year	Cigars	Cigarettes	Manufactured Tobacco	Totals
1959-60	$2,602,765.19	$163,607,872.50	$19,291,881.28	$185,502,518.97
1960-61	2,754,955.93	172,196,637.28	18,697,064.97	193,648,658.18
1961-62	2,775,551.41	185,175,768.13	19,599,179.12	207,550,498.66
1962-63	3,372,009.87	195,312,891.31	19,122,793.69	217,807,694.87
1963-64	3,266,982.00	200,211,434.62	23,460,293.43	226,938,710.05
1964-65	3,700,166.95	197,495,123.71	17,148,654.49	218,343,945.15
1965-66	3,811,341.74	217,875,695.00	16,393,320.74	238,080,357.48
1966-67	3,561,273.99	231,549,829.56	16,323,748.99	251,434,852.54
1967-68	4.076,291.08	241,440,862.59	21,169,355.99	266,686,509.66
1968-69	4,711,071.20	281,905,866.77	17,559,541.02	304,176,478.99
1969-70	4,785,933.84	272,949,317.77	18,109,977.02	295,845,228.63

PAYMENTS MADE UNDER P.F.A.A. PROGRAM AND CROP INSURANCE PLAN

Question No. 771—**Mr. Southam:**

1. What were the total amounts paid out in 1970 to farmers under PFAA in Manitoba, Saskatchewan and Alberta?

2. What were the total amounts paid to farmers for 1970 in each province under the Crop Insurance Plan?

[Mr. Pelletier.]

3. Is it the intention of the government to expand the present all-risk crop insurance plan to cover crops other than the present wheat, oats and barley, and to all areas of the provinces?

4. Is it the government's intention to carry on with the PFAA program?

Hon. H. A. Olson (Minister of Agriculture): 1. Manitoba, $637,166.50; Saskatchewan, $1,131,121.50; Alberta, $3,683,-867.50.

Note: The above figures apply to payments made in the calendar year 1970 which include payments with respect to crop losses in both 1969 and 1970. Payments made in 1970 with respect to 1970 crop losses are as follows: Manitoba, $984; Saskatchewan, $115,551; Alberta, $146,-965.

2. Manitoba, $1,918,000; Saskatchewan, $175,000; Alberta, $1,650,000.

3. The provinces are responsible for initiating any expansion of crop insurance plans to take in new areas or cover additional crops. The federal Crop Insurance Act and Regulations permit federal contributions to be made with respect to insurance of all major crops produced in Canada in any area covered by a federal-provincial crop insurance agreement.

4. Any government decision with respect to the future of P.F.A.A. will be announced in the usual manner.

AGRICULTURE—IRRIGATION AND DRY LAND FARMING STUDIES

Question No. 841—**Mr. Skoberg:**

1. Has the Department of Agriculture conducted any studies as to the added costs incurred in irrigation farming as compared to cost of dry-land farming in the Outlook district of Saskatchewan?

2. Have any specific studies been undertaken or completed as to the economic viability of irrigation farming and, if so, are these studies available?

3. Has the Department given consideration to conducting personal interviews with farmers who are now engaged in irrigation farming, in order to determine whether such an operation is viable and, if not, would the Department give consideration to such interviews?

Hon. H. A. Olson (Minister of Agriculture): 1. The only study in which the Department participated was done in 1951 in co-operation with Professor H. Van Vliet of the University of Saskatchewan, which was an economic appraisal of the South Saskatchewan River Development.

2. Yes.

3. Yes; but other priorities for staff available have prevented carrying out such a study. An economist of the provincial department is conducting economic evaluations on particular aspects of irrigated farm production at Outlook.

NEW BRUNSWICK—SALES TAX ON BUILDING MATERIALS

Question No. 850—**Mr. Crossman:**

1. What amount of money did the Government of Canada pay to the Province of New Brunswick in provincial sales taxes on building materials during each of the past five fiscal years?

2. What amount of money did the Government of Canada generate for the Province of New Brunswick in the form of revenue from the provincial sales tax on building materials during each of the past five fiscal years (a) with respect to publicly financed housing (b) with respect to technical, trades and vocational schools (c) other cost shared projects (d) with respect to other purchases?

Order for Return

3. What percentage would that be of the total revenue under the provincial sales tax on building materials?

Hon. E. J. Benson (Minister of Finance): 1. Government departments do not pay provincial sales tax, although their contractors as final consumers of the building materials do pay the tax. Thus federal departments bear the tax, but since it is indirect, have no records of the amounts which could be attributed to tax payments.

The Crown corporations listed in the schedule to the Crown Corporations (Provincial Taxes and Fees) Act do pay provincial sales taxes on purchases of goods including building materials. However, even in these cases, most of their construction work is carried out by contractors who pay the tax, and indirectly pass it on to the corporation.

2 and 3. Information is not available.

RATE OF DUTY ON TIMBER IMPORTED FROM UNITED STATES

Question No. 873—**Mr. Lambert (Bellechasse):**

Do Canadian firms who carry out timber operations in the State of Maine and ship the timber into Canada have to pay duty at the border and, if so, at what rate?

Hon. Herb Gray (Minister of National Revenue): Timber imported by Canadian firms operating in Maine is required to be entered at Customs in the normal manner. Providing the timber is not further manufactured than sawn it is admissible under Tariff Item 50040-1, free of Duty from the United States.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Question No. 216—**Mr. Hales:**

1. What was the net amount received by the government for the *HMCS Bonaventure*?

2. Was it a cash deal or were credit arrangements made?

3. What instruments, fittings or other material was salvaged from the *Bonaventure* before it was sold for scrap by the government?

4. Which items have been sold, and what was the payment received for each?

5. What is the anticipated value of each remaining item?

6. When are the remaining items expected to be sold?

Return tabled.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT—INCREASED FEDERAL WELFARE COST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to direct a question to the Minister of National Health and Welfare. He may still be involved in duties in Saskatoon, but I am sure the Minister of

Finance will be able, in any event, to give me the answer. Does the minister or the government have an estimate of the increased cost of welfare to the federal government caused by the increased levels of unemployment?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I should like to take notice of the question with regard to the expected increased costs of welfare for this year. I would be glad to get the figure for my hon. friend.

Mr. Stanfield: Mr. Speaker, would the minister obtain this information and give it to the House, particularly for the benefit of the Prime Minister who seems to think that high welfare costs would result from programs designed to get the economy moving again?

Mr. Speaker: Order, please.

UNEMPLOYMENT—ESTIMATES OF SEASONALLY ADJUSTED FIGURE AND GROSS NATIONAL PRODUCT FOR 1971

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister arising out of the speech which he made in Regina on Saturday night. Referring to the present economic recession and high rate of unemployment, the Prime Minister said:

> The federal government is determined that we shall get over this temporary problem.

In an endeavour to find out how temporary is "temporary", may I ask the Prime Minister whether the government has any estimate as to what will be the seasonally adjusted figure for unemployment for 1971 and whether the government has any estimate as to the GNP growth rate in constant dollars for the same year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at the time of budget speeches we try to give these forecasts to the House and to the country as best we can, but it is not usual—

Mr. Woolliams: You are never right.

Mr. Trudeau: As the member says.

UNEMPLOYMENT—EXTENSION OF UNEMPLOYMENT INSURANCE BENEFITS AND WELFARE PAYMENTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In the same speech the Prime Minister stated:

> The challenge is to remedy the wrongs and to assist the injured.

I ask the Prime Minister whether the government is prepared to do anything about the present unemployment insurance benefits and the eligibility provisions. Also, does the government intend to do anything about providing adequate welfare for those who are presently banned because of the fact they are transients?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer, of course, is that we have just recently increased the benefits to the unemployed by 10 per cent, and that very soon we will have a bill before the House which will present to the House a much improved unemployment insurance system. We hope we will have the support of all parties in passing it.

INCREASE IN NUMBER OF CROWN CORPORATIONS AS MEANS OF REDUCING UNEMPLOYMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this morning's CBC program, "The World at Eight", contained a statement that the federal minister, "Jean-Lac" Pepin, said that—

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The federal trade minister, Jean-Luc Pepin, said that—

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): —increasing the number of crown corporations may be one way of reducing unemployment in Canada. I ask the Prime Minister if the minister was making a statement of government policy? If so, which Crown corporations does the government have in mind?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of the statement, Mr. Speaker. I will ask Mr. "Jean-Lac" Pepin about it.

FINANCE MINISTER'S FORECAST OF REDUCED UNEMPLOYMENT—RELATIONSHIP TO INCREASE IN GROSS NATIONAL PRODUCT

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question for the Minister of Finance. The minister has made repeated statements that the seasonally adjusted rate of unemployment will decline substantially through 1971. Is this based on any forecast with regard to the real increase in the gross national product?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I made some forecasts in my recent budget speech about the general outlook in Canada for 1971, with which most responsible economists agree—

Some hon. Members: Oh, oh!

Mr. Baldwin: Name one.

Mr. Benson: —which will lead to an increase in the gross national product throughout 1971 with a resultant decrease in unemployment throughout the year—not quickly, as I have said previously. Dealing with seasonally adjusted rates, which my friend sometimes supports in summer and hates in winter—

Mr. Speaker: Order, please.

Mr. Stanfield: Will the minister be good enough to answer a simple question in a straightforward manner? Will he tell the House whether his forecasts with regard to a reduction in unemployment are based upon a specific estimate with regard to the growth of the GNP in 1971?

Mr. Benson: Mr. Speaker, if my hon. friend would let me answer his question instead of jumping up, I would be pleased to answer it. We are continually making forecasts as to what will happen to the GNP, productivity and business activity in 1971. I would not state there would be a decline in the seasonally adjusted rate of unemployment if I did not think there was going to be an increase in the GNP during 1971.

Mr. Stanfield: If the Minister of Finance is making these forecasts, will he tell the House what the estimated increase in the gross national product is? That is a simple question and one capable of a simple answer instead of all this skating and evasion.

Mr. Benson: Yes, Mr. Speaker, I shall be pleased to give a simple answer when I make my next budget statement to the House.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

AVAILABILITY OF INCREASE IN UNEMPLOYMENT INSURANCE BENEFITS TO RETIRED EMPLOYEES

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary question for the Minister of Labour prompted by the erroneous statement of the Prime Minister. Would the Minister of Labour assure us that the miners idled in Cape Breton through the efforts of a Crown company will get the 10 per cent increase which was made available on January 3, 1971?

Hon. Bryce Mackasey (Minister of Labour): The policy of the Unemployment Insurance Commission as far as the 10 per cent increase is concerned was not to take this into consideration when assessing other income. In other words, no one was to be penalized for the special benefit as a result of the 10 per cent.

Mr. MacInnis: When the minister says nobody will be penalized, does he mean that Devco will not be penalized but that the men will be?

Mr. Mackasey: I am more interested in the men than I am in Devco.

Mr. MacInnis: Will the minister follow through and make sure the men will get the 10 per cent, not Devco?

Mr. Mackasey: The men who are on retirement from Devco between the ages of 60 and 65 are in receipt of unemployment insurance benefits and if they are entitled to the maximum they are deriving $58 from unemployment insurance benefits. The Unemployment Insurance Commission has—

Mr. Speaker: Order, please. Perhaps we might return to the question raised by the hon. member for Cape Breton-East Richmond in a few moments, but there are other supplementaries, I believe, on the general question raised by the hon. member for Nanaimo-Cowichan-The Islands. Perhaps we might return to this matter in a few minutes.

Inquiries of the Ministry

Mr. MacInnis: On a question of privilege, Mr. Speaker, I shall only take the time of the House long enough to tell the minister that the statement he has just made is not in accordance with the facts.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—NUMBER OF PERSONS WHOSE UNEMPLOYMENT INSURANCE BENEFITS HAVE EXPIRED

Mr. Mark Rose (Fraser Valley West): In view of the fact that unemployment insurance benefits can run out after a period of only 15 weeks, can the Minister of Labour advise the House as to the number of persons who have exhausted their right to unemployment insurance benefits?

Hon. Bryce Mackasey (Minister of Labour): I could inquire and find out, but the hon. member is asking for statistical information and to obtain it would take a little research.

Mr. Rose: A supplementary question—

Mr. Speaker: Order. The Chair will allow the hon. member a supplementary, but he might resume his seat. I am inclined to agree with the hon. minister's comment made in his reply to the hon. member's question, but the hon. member might like to rephrase his question.

Mr. Rose: I fully appreciate that this is information which could be given as part of a statement on motions. I was about to ask the minister whether he would include the number of people who are in receipt of unemployment insurance benefits and who, because these benefits are inadequate, are also in receipt of welfare?

Mr. Mackasey: One of the attractive features of the new plan is that it will be unnecessary for those drawing unemployment insurance benefits to supplement it with welfare.

An hon. Member: Next year.

* * *

[*Translation*]

CONSTITUTIONAL CONFERENCE

DIFFERENCE BETWEEN ENGLISH AND FRENCH TEXTS OF STATEMENT OF CONCLUSIONS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, Friday last, in the absence of the Prime Minister, I asked the Acting Prime Minister (Mr. Sharp) whether he could explain the difference between the French and English texts of the communique published following the last federal-provincial conference, as recorded moreover at page 3325 of *Hansard*, especially the terms "exprimer sa sympathie" and "admettre ou accepter la proposition".

Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister has effectively submitted the problem to me. I

cannot evidently say more than the following: the communique was drawn up partly in English and partly in French and the translators have done their best to give the same meaning to both texts. I, for one, to do not see any significant difference between the English expression "expressed its sympathy for this basic social objective" and the French expression "se déclare en accord avec cet objectif social fondamental". The Conference has not decided which of the two versions would be the official one, and I think that under the circumstances, everyone may choose the meaning he prefers.

Mr. Lambert: Mr. Speaker, I would like to ask a supplementary question.

The Prime Minister will agree that there is a difference between the two versions and that if in Quebec one refers to the French version, that would be quite a different proposition from, let us say, in Ontario—

Mr. Speaker: Order.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

LAPSING OF SEASONAL BENEFITS IN MAY—GOVERNMENT ACTION TO ALLEVIATE PROBLEMS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask a question of the Minister of Labour. Is his department giving consideration to the problems that will arise for the very large number of people who are now drawing seasonal unemployment insurance benefits when these benefits cease automatically on May 15 if they are still unemployed? Is the government giving consideration to what can be done to alleviate the ill effects of this situation on the people concerned as well as on the municipalities which will have to carry them on welfare if something is not done?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the question is hypothetical to the extent that we do not know what the employment figures will be in the month of May.

We do not know what the position will be on May 15 and what will happen to the people who were drawing seasonal unemployment insurance benefits. If and when any change in government policy in regard to extending the period is arrived at, it will be announced in the usual manner in the House.

* * *

WELFARE

MEETING OF CERTAIN LIBERAL MEMBERS WITH METRO TORONTO COUNCIL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Prime Minister. Since certain Liberal members are meeting with the Metro Toronto council today, which meeting, I believe, is not being blessed by the local ministers from the city of Toronto, I wonder whether the Prime Minister and the government have indicated to these members any particular direction the government is following regarding the great problem of welfare—

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate.

Mr. Alexander: A point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Hamilton West on a point of order.

Mr. Alexander: If Your Honour was worried about the preamble to my question, I can certainly cut it short. Would the Prime Minister indicate whether any special indication was given these members regarding what to say to the Metro Toronto council—

Mr. Speaker: Order. I suggest to the hon. member that his inquiry is not in order.

* * *

UNEMPLOYMENT INSURANCE ACT

IMMEDIATE AMENDMENT TO HELP THOSE OUT OF WORK LONGER THAN SIX MONTHS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Minister of Labour whether the government has any immediate plan to amend the Unemployment Insurance Act in order to try to help the 108,000 people who have been out of work for longer than six months?

Mr. Speaker: Order. That question, of course, has been asked on a number of occasions. I suggest to the hon. member and to the House that if this kind of information is to be given to the House by the government it should be given by way of a statement on motions. The hon. member is inviting the government to make a general statement. Perhaps he would indicate whether this is what he would like the minister to do in due course.

Mr. Lundrigan: No, Mr. Speaker, not in due course; I should like the minister to answer, yes or no, whether the government has a plan. It is quite a simple question.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I think the Prime Minister has made it very clear that there will be a complete overhaul of the Unemployment Insurance Act very shortly. This consideration has been preceded by a white paper and by an in-depth study of the proposal by the Standing Committee on Labour, Manpower and Immigration. I think the Prime Minister has indicated that we should be tabling a bill very soon, so I am afraid that the hon. gentleman is going to have to contain his impatience until that time.

REQUEST FOR SPECIAL COMMISSIONER TO EXAMINE ADMINISTRATIVE PROBLEMS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in view of the fact that the administrative problems in regard to payment of unemployment insurance seem to be increas-

ing, would the minister consider appointing a special commissioner, someone outside the commission, to look into these problems and to make a recommendation in this regard as quickly as possible?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the hon. member has been very concerned over the last year about this problem and has made many constructive suggestions in writing, all of which have been taken into consideration. An in-depth study of the whole administration is proceeding at the same time as we are formulating the legislation, and I think we should see some basic changes in the administration introduced at the same time as we introduce the legislation.

* * *

GRAIN

RAPESEED—PERIOD UNDER DELIVERY QUOTAS—REQUEST FOR TABLING OF REGULATIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the minister in charge of the Wheat Board arising out of the confusion in reference to rapeseed. Would the minister advise the House how long rapeseed has been placed on a quota basis under the Canadian Wheat Board, and is he prepared to table a copy of the regulations that introduced quotas for this production?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the Wheat Board has been operating quotas for rapeseed for some time in connection with over-all responsibility to see to it that handling facilities are equitably available for the various grains. I do not have at hand the specific dates but I would be glad to find them and furnish them to the hon. member.

Mr. Woolliams: Mr. Speaker, there are hundreds of producers who seem to have had their permit books seized by officers because of a misunderstanding. First of all, they had long-term contracts, and then they came under quotas and neither the elevator agents nor the producers knew about it. Are these people in fact going to be charged under the law with an offence?

Mr. Lang: Mr. Speaker, I will be glad to look into the individual cases to which the hon. member has made reference if he will give me the information. There has been no sudden or recent change in the quota requirements, although there may well have been some misunderstanding on the part of some people. I will certainly be glad to investigate this.

Mr. Woolliams: Mr. Speaker, since the minister is going to look into this matter, and as he has not told us yet when rapeseed was put on quota, will he look into the situation of those producers who had long-term contracts and who have been frustrated completely by a silent, quiet Order in Council?

[*Later:*]

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. This is the second time recently that I have asked a question which I believe to be in order and the minister has not been allowed to answer. This is a very serious question affecting thousands of people in western Canada and their livelihood. The minister wanted to answer the question and he was getting to his feet but you cut him off.

Mr. Speaker: Order, please. I appreciate the point. Perhaps the minister should have been allowed to reply. I will give him the floor at this time.

Mr. Lang: Thank you very much, Mr. Speaker. Rapeseed quotas have been in effect for quite some time.

Mr. Woolliams: How long?

Mr. Lang: It depends on what the hon. member is talking about, Mr. Speaker. Rapeseed quotas for crushing mills have existed this year. Rapeseed quotas for producers have existed for several years. There has been no recent change and, of course, the quota system cannot be over-ridden by individual contracts entered into by individual producers. I very much wanted to answer, Mr. Speaker, but I am sure that most farmers know the answer and so I was not so concerned if the question was unanswered.

Mr. Woolliams: Mr. Speaker, my supplementary question to the minister is this. If what he says, and I am not arguing with him because he has knowledge of his department, is correct, why were thousands of producers in western Canada permitted to enter into contracts, apart from any quota system, under which they sold their rapeseed and other commodities without any interference from the minister or the department?

Mr. Lang: Mr. Speaker, I should have thought that the hon. member, who knows a good deal more about law than he does about grain, would know that contracts between individuals are not only basically within provincial jurisdiction but are something that it is very difficult to do anything about in advance of the fact.

FAILURE OF INTERNATIONAL WHEAT CONFERENCE TO REACH AGREEMENT ON PRICES—ADVICE TO FARMERS PRIOR TO PLANTING

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to the minister in charge of the Wheat Board. Since no agreement on grain prices has been reached at the United Nations wheat conference at Geneva, will the minister indicate what advice he will be giving to farmers with regard to growing wheat in the coming year since the time for planting is approaching?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we anticipate still that it may be possible to give a package of information to producers prior to March 1, including information which may help them in their final planting decisions. Of course, on the subject of the grains arrangement itself, as I indicated earlier there has been a significant degree of co-operation concerning prices as well as some order in respect of pricing even without an effective minimum under the grains arrangement. Therefore nothing very much has changed as a result of the events in Geneva.

Inquiries of the Ministry

PRODUCTION AND RECEIPTS POLICY—MEETINGS WITH FARM ORGANIZATIONS ON PROTECTION OF PRODUCERS' POSITION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct a question to the minister in charge of the Wheat Board. In view of the fact that at the meeting he had with the Federation of Agriculture last week it was stated by that organization that the proposals in respect of the grain receipts policy do not represent an adequate undertaking by the federal government to assist in protecting the position of the Prairie grain producers, is it his intention to meet with the organizations and work out a position mutually satisfactory to the government and these organizations?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we had a very good discussion with the Federation of Agriculture. Of course, the point was made that the farm organizations and the farmers may never be completely satisfied that the amount which is being paid by the government or the treasury for their particular industry is enough, and we might be left with a difference of opinion in this regard. I think we did agree that this was a matter which required continual discussion and consideration. The point was also made, of course, that while what we are doing may not be regarded by them as enough, it was a substantial improvement over the previous situation, and in that regard I think they did express some gratitude.

Mr. Gleave: Mr. Speaker, since the representations made to the government by the federation were substantially backed by a previous meeting with the National Farmers Union, would the minister not concede that the condition of the farmer is really not that good?

Mr. Speaker: Order, please. I suggest that the supplementary question asked by the hon. member is in the form of an argument and is not in order.

PRODUCTION AND RECEIPTS POLICY—ACCEPTANCE OF NATIONAL FARMERS' UNION PROPOSALS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a supplementary question to the minister in charge of the Wheat Board. In view of the 14-point proposals put to him by the National Farmers Union and the request by the Farmers Union that the government re-examine its proposals on the grain stabilization program, will he say whether some or all of these 14 points will be implemented and whether or not the government is re-examining its position on the grain stabilization program?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I doubt whether the word "re-examination" is the correct word to use when an examination in fact is going on. A good number of the points made by the Farmers' Union, as well as by the CFA, are matters really endorsing what we have already proposed to do. Of course, much of the rest of their briefs contain matters which we are examining and considering on the way to a final decision.

[Mr. Lang.]

FISHERIES

FAILURE OF NOVA SCOTIA TO PARTICIPATE IN SALTFISH CORPORATION—ACTION TO PREVENT LOSS OF INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries. Since the government of Nova Scotia has not agreed to enabling legislation which would permit Nova Scotia to become a participating province in the Saltfish Corporation, will the minister use his influence with the provincial premier in order to prevent the closing down of this traditional industry in Nova Scotia, which will further add to the problems of the fishing industry?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the saltfish industry can operate either within or outside the Saltfish Corporation. It is my understanding, however, that only Newfoundland-Labrador and the North Shore in Quebec will come under the corporation in 1971.

* * *

GRAIN

REASON FOR SHIPS HAVING TO WAIT TO BE LOADED AT VANCOUVER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the minister responsible for the Wheat Board how many vessels are waiting in Vancouver harbour for the loading of grain and, if the number is substantial, what is the reason for this?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the question of whether it is substantial or not is one of opinion. There have been several vessels waiting for berths there in the last little while. The Wheat Board has indicated in a press release which came into my hands today that many ships which were booked in for November and December are only arriving now because of congestion in foreign ports at times when they should have been unloading. The Wheat Board has explained that in the interest of attempting to move the maximum amount of grain they must run the risk that on occasion more boats will be there than there are berths available. They have also indicated that the grain is moving very quickly into these boats and that there should not be any great delay in berthing the remaining boats.

Mr. Stanfield: Mr. Speaker, would the minister tell us how many vessels are waiting?

Mr. Lang: Mr. Speaker, I will certainly have to check that to give the figure for this very moment.

PRODUCTION AND RECEIPTS POLICY—REQUEST FOR SPECIAL DEBATE

Mr. John Burton (Regina East): Mr. Speaker, as a result of the views expressed over the weekend by farm organizations I should like to ask the minister in charge

of the Canadian Wheat Board whether he will now reconsider his previous statements and hold discussions with the Government House Leader and others with a view to providing for a special debate on the government's grain policy proposals before the government finalizes its position?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think we have been having a very good general debate on the farm proposals and farm policy throughout the country, and I look forward to the occasion of a debate on these matters in the House at the time the legislation comes forward.

PRODUCTION AND RECEIPTS POLICY—PUBLICATION OF REPORT ON WHEAT BOARD TO ASSIST DISCUSSION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is supplementary and is directed to the minister in charge of the Canadian Wheat Board. In order to aid in the discussion that is going on with regard to grain policy, is it the minister's intention to see to it that the Menzies Report on the Canadian Wheat Board is made public?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Yes, Mr. Speaker. The Wheat Board is in the process of having the report printed and as soon as that is completed the report will be made public.

* * *

[*Translation*]

CRIMINAL CODE

POSSIBLE AMENDMENT OF BREATHALIZER PROVISIONS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Justice.

Since several judges in Canada have questioned the breathalizer as a criterion to determine whether an accused person is guilty and several others have challenged its legality, can the Minister of Justice tell us whether this provision of the Criminal Code can be amended?

[*English*]

Hon. John N. Turner (Minister of Justice): No, Mr. Speaker.

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FILMS

TAKEOVER OF CINEPIX BY KALVEX INCORPORATED OF NEW YORK—PROTECTION OF DEVELOPMENT CORPORATION INVESTMENT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. On February 4 I inquired about the sale of Cinepix, a Canadian film company, to Kalvex of New York. I inquired particularly concerning what steps have been taken to protect the investment of the Canadian Film Development Corporation in this former Canadian company.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I was under the impression that I had already replied to the hon. member that all necessary steps had been taken, at the time of the transaction, for adequate protection not only of interest-bearing loans, but also of loans involving profit-sharing arrangements regarding films produced by Cinepix.

[*English*]

Mr. Dinsdale: Mr. Speaker, is it the policy of the Canadian Film Development Corporation to invest in other than Canadian Companies or does it exclusively support only Canadian companies?

[*Translation*]

Mr. Pelletier: No, Mr. Speaker. Of course, there are marginal cases, if you wish, such as co-productions. Canada has signed co-production agreements with some foreign countries. However, it would take too long to explain in detail the CFDC's policy in this regard. Briefly, the policy consists in requiring, in order that a company may obtain a loan or other assistance from the Canadian Film Development Corporation, that a certain number of conditions be fulfilled so that the film may be 50 per cent Canadian at the least. But a simple answer to the question whether it is the CFDC's policy to finance foreign film companies would be no.

* * *

[*English*]

FISHERIES

SWORDFISH—ASSISTANCE TO FISHERMEN BECAUSE OF POLLUTION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Fisheries. How soon does the hon. gentleman expect to announce the decision made with regard to the mercury pollution problem in the swordfishery and what will the decision be?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we are working closely with the province of Nova Scotia and we hope to be able to make an announcement shortly as to the precise arrangements for swordfishermen.

CONSULTATION WITH U.S. FOOD AND DRUG ADMINISTRATION ON TOLERABLE MERCURY LEVEL IN FISH

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary for the Minister of Fisheries and Forestry. Has the minister had any further contact with the United States Food and Drug Administration to ascertain whether the tolerable level of mercury in fish can be increased above the present level of .5 parts per million?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, a conference is scheduled for later this week in Ottawa sponsored by the Royal Society to deal with this subject. Experts from all over the world are coming here. After that conference is over we may have information which will be useful in this regard.

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PENSIONS

OLD AGE SECURITY—ACKNOWLEDGEMENT OF RETURN OF BASIC INCREASE BY CERTAIN PENSIONERS—USE MADE OF MONEY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that many old age pensioners, either directly or through members of this House, are sending contributions of 42 cents to the minister, I wonder if receipt of these contributions is being acknowledged and what use is being made of the money?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have received three such amounts of money. I am acknowledging those letters. The money will be deposited to the credit of the Receiver General. I would hope my hon. friends opposite would be honest enough to send their money to me too.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister be good enough to acknowledge those I shall send to him very shortly?

Mr. Speaker: Order, please.

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REGIONAL ECONOMIC EXPANSION

RENFREW—PLANS TO ASSIST AIRCRAFT INDUSTRY TO MAINTAIN OPERATIONS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion. I wish to ask the minister whether the town of Renfrew falls within the category of a designated or depressed area and, if so, what plans the government proposes in order to assist the aircraft industry there which is about to close and put 300 highly skilled employees out of work?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we met with a delegation from Renfrew this morning in connection with this matter. Should there be a company interested in acquiring the United Aircraft plants, we will be pleased to help such a venture. We will be pleased also to support any local initiative to this end.

[*English*]

Mr. Hales: Mr. Speaker, I should like to ask the Minister of Labour what steps he proposes to take to find employment for these highly skilled employees?

[Mr. Crouse.]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, without appearing to be facetious, I think that question should be directed to the Minister of Manpower who has that responsibility.

RENFREW—ACTION TO FIND REPLACEMENT FOR AIRCRAFT COMPANY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary for the Minister of Regional Economic Expansion. What initiative is the minister's department taking to find a replacement for this company in view of the minister's statutory responsibility with regard to creating employment during periods of peak unemployment?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are authorized by legislation to grant subsidies to business wanting to set up facilities in designated areas. Renfrew is a designated area. We will do all we can for companies that will request grants in order to promote industrial expansion. However, I cannot make the requests on their behalf.

[*English*]

SIGNING OF GENERAL AGREEMENT WITH NOVA SCOTIA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is also for the Minister of Regional Economic Expansion. When he and the hon. member complete their discussion across the floor of the House I will direct it to him. I notice from the newspapers that today is supposed to be the day that his department and the province of Nova Scotia enter into the next general, broad agreement. I also notice the absence of the Government House Leader and I wonder, since today is the day the agreement is to be entered into, whether the Government House Leader is home grabbing a little more glory for himself?

Mr. Speaker: Order, please. The hon. member will appreciate that the question as asked is not in order. He may want the floor again for the purpose of rephrasing the question. There will be no difficulty about that.

Mr. Forrestall: Seriously, Mr. Speaker, I wonder whether the Minister of Regional Economic Expansion could indicate whether or not the federal authority and the province of Nova Scotia will today enter into their broad general agreement or whether this has been postponed indefinitely?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, nothing has been delayed. The agreement must be signed by a minister from Nova Scotia and myself. I have not signed any document this morning and I shall not sign any this afternoon either.

[*Later:*]

[*English*]

Mr. Forrestall: Mr. Speaker, I wonder if the Minister of Regional Economic Expansion would care to indicate whether or not the agreement will be entered into this

week and, if so, who will sign it on behalf of the government?

[*Later:*]

[*Translation*]

Mr. Marchand (Langelier): If there is an agreement to be signed, Mr. Speaker, it will be signed by the responsible minister as provided for by the legislation.

[*English*]

Mr. McCleave: Lou don't even know, do you?

Mr. Speaker: Order, please.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED INFILTRATION OF PARTI QUEBECOIS

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Justice who I believe is Acting Solicitor General today. Has the minister seen a statement attributed to Mr. Claude Charron, a member of the Parti Quebecois and of the Quebec National Assembly, to the effect that the Royal Canadian Mounted Police have infiltrated the Parti Quebecois? If the minister has seen that statement, would he care to comment on it?

Mr. Speaker: Order, please. The question would have to be asked directly. The hon. member cannot ask the minister to comment on a statement which has been made outside the House. Perhaps he might ask the question in another form.

Mr. Howard (Skeena): Mr. Speaker, I think it had to be prefaced in that way so that it would be put in the proper context, but may I ask whether the RCMP are in fact infiltrating the Parti Quebecois?

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EXTERNAL AFFAIRS

CANADIAN FOREIGN AID—INSTITUTION OF BIRTH CONTROL MEASURES BY RECIPIENT COUNTRIES

Mr. Cliff Downey (Battle River): Mr. Speaker, I wish to direct a question to the Prime Minister. Has he considered or will he consider any plans to make Canada's foreign aid to over-populated countries contingent upon those countries instituting birth control or family planning measures?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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POLLUTION

THREAT POSED BY TANKER TRANSPORT OF OIL FROM VALDEZ, ALASKA, TO CHERRY POINT, WASHINGTON

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to direct a question to the Secretary of State for External

Affairs. Having in mind the statement made over the weekend by his colleague, the Minister of Energy, Mines and Resources, to the effect that Canada is strongly opposed to the shipment of oil by tanker from Alaska down the British Columbia coast to Washington refineries, and the minister's own statement that only the cooperation of the United States can help to meet this threat of pollution, can the minister indicate what the policy of the government is on this very important matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the statement made in the speech by my colleague, the Minister of Energy, Mines and Resources, and the statement I made I hope indicated our very serious concern about the dangers of pollution arising from the movement of oil by tanker down the Pacific coast, and we hope that public opinion both in Canada and the United States will be aroused to avoid a possible disaster.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, would the minister care to tell us what alternatives the government is proposing which it would favour?

Mr. Sharp: As my colleague, the Minister of Energy, Mines and Resources, has said, we certainly would be prepared to consider a pipeline down the Mackenzie valley but, as hon. members probably know, objections have been raised even to that particular route.

Mr. Yewchuk: Can the minister indicate whether the government is doing any studies of this route to see whether it is the best one for Canada?

Mr. Sharp: Mr. Speaker, we have been doing some studies on the ecological consequences of a pipeline, which I think is one of the first bits of information we would need before a firm decision could be made either by us or by anyone else, such as an American company that might want to build such a pipeline.

Mr. Speaker: Orders of the day.

Mr. Hales: Mr. Speaker, I rise on a question of privilege. Earlier in the proceedings today the Minister of Finance, in answer to a question put by the hon. member for Winnipeg North Centre regarding the return of 42 cents to him by disgruntled senior citizens, said, and I think I am quoting his words, "I hope that all members of the House will be honest enough to send the money to the Minister of Finance". The minister left the implication that all members of this chamber may not be honest enough to do so. I think the minister should not have used the words "honest enough."

Mr. Benson: Mr. Speaker, if there was any implication that I meant people in the House were dishonest I apologize sincerely. May I say I do not think I will get many cheques for $28 from the people in Canada who really needed the increase in the supplementary old age pension.

Mr. Speaker: Order. I think the minister is going beyond the question of privilege. Orders of the day.

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BUSINESS OF THE HOUSE

TIME LIMIT ON SPEECHES ON BUSINESS SUPPLY MOTION

Mr. Baldwin: On a point of order, Mr. Speaker, with respect to the debate which is about to commence there have been discussions with regard to the length of time for speeches in order that the House may have the benefit of hearing from as many members as possible. It has been suggested that we might vary the rules so that the first speaker from each party would have 20 minutes and each speaker thereafter would be limited to 15 minutes. This suggestion has been made. There is some willingness to accept it but I do not know if it is complete.

Mr. Downey: On a question of privilege—

Mr. Speaker: Order, please. Perhaps we might allow the hon. member for Battle River, who has a question of privilege, to indicate what it is, and then return to the point of order raised by the hon. member for Peace River.

Mr. Downey: Mr. Speaker, in Saturday's Calgary *Herald* it was reported that the provincial Minister of Agriculture for Alberta stated that he had not received an invitation to appear before the House of Commons Committee on Agriculture which has been studying the marketing board legislation. Could the Minister of Agriculture assure the House—

Mr. Speaker: Order, please. That is, of course, not a question of privilege. The hon. member knows that if the rule is adhered to strictly, notice has to be given. If the hon. member wants to ask a question, this might be done tomorrow. We will now return to the point of order raised by the hon. member for Peace River.

Mr. Jerome: Mr. Speaker, consultations were held with respect to the length of speeches during the debate today and certainly agreed to that aspect concerning the length of speeches after the first speaker for each party has spoken. However, rather than reduce the length of the initial speeches from 40 minutes to 20 minutes we would prefer that it be reduced to 30 minutes. We would agree that the first speaker for each party should have 30 minutes and that thereafter speeches be limited to 15 minutes.

Mr. Baldwin: As a matter of fact, Mr. Speaker, I think the rule is 30 rather than 40 minutes for the two lead-off speakers, so we are extending the time for the lead-off speakers for the other two parties. We agree to the first speaker for each party having 30 minutes and thereafter 15 minutes for the succeeding speakers.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what has been arrived at is what we arrived at some time ago.

[Mr. Benson.]

Mr. Speaker: Order. I believe there is agreement in the House to the suggestion made by hon. members. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED LACK OF GOVERNMENT LEADERSHIP RESULTING IN DAMAGE TO COMMUNITIES AND PEOPLE

Mr. G. W. Baldwin (Peace River) moved:

That this House condemns the government's lack of leadership which has humiliated the disadvantaged, dislocated the finances of provinces and municipalities, and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies.

He said: Mr. Speaker, by consent the hon. member for Red Deer (Mr. Thompson) is speaking first in my place.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it was interesting to note, according to reports that came out of Saskatoon over the weekend, that the right hon. Prime Minister (Mr. Trudeau) was concerned about the effect of criticisms of his government on the confidence of the people in that government. I would say he has reason to be concerned. I could not help but smile last night—it really is not the right way to express it because anything so serious as this must be of grave concern to every one of us—at reports of the Prime Minister's efforts to rationalize the unemployment situation that exists at the present time. If there is one phrase that has confused the Canadian public it is, "seasonally adjusted." It is very easy to rationalize statistics in terms of such vague generalities but the fact remains, Mr. Speaker, that we are told by the Bureau of Statistics that at the present time in Canada there are 668,000 people unemployed.

An hon. Member: Shame.

Mr. Thompson: In fact, the other day the Minister of Manpower and Immigration (Mr. Lang) noted that there were approximately 640,000 Canadians registered with the manpower offices across the country as seeking employment. Some of the labour leaders in the country say that the actual statistics as far as unemployed people are concerned show the figure more accurately to be over 800,000. These figures indicate a tragic situation for Canada, one of the wealthiest countries in the world. With all the ability and knowhow that we have, it is incredible that a situation such as this should exist. In my opinion, it exists because of the government's restrictive economic and fiscal policies and because of its failure to alleviate the plight of the unemployed. It also

results from the lack of assistance to the provinces and the municipal governments of the country. It is for these reasons that we are forced today to move this motion which, in effect, is a motion of non-confidence.

Therefore, Mr. Speaker, we condemn the government's lack of leadership which has humiliated the disadvantaged, dislocated the finances of provinces and municipalities, and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies.

The Economic Council of Canada recently estimated that the Canadian output performance for the current year is $4 billion below potential. I suppose that might be rationalized by saying "seasonally adjusted", though not with the seasons of the year, perhaps, but with the seasons of the ups and downs of the present government.

Mr. McGrath: The ministers responsible are not even here.

Mr. Thompson: The fact is that the chairman of the Economic Council, Mr. Arthur Smith, just the other day pointed out that one of the basic reasons the government is facing a deficit of approximately $350 million in place of the $250 million surplus which they budgeted for is that the income of the government has decreased. Mr. Smith suggested that, while no one knows exactly at the present time, it might be reasonable to expect that the income of the government in the form of taxes is down approximately $1 billion from what it ought to have been if the expansion and growth of the country had gone forward at the same rate as in the last several years and as it might have done had the government not followed the policies which have brought us to this present situation.

It has been emphasized by many newspaper editorials across the country and it has also been the opinion of leading economists, that the government has taken the historically dangerous route of fighting inflation by bringing about a greater extent of unemployment and general economic slackness. It does not require the training of an economist to know what happens when jobs are cut back and production is restricted, when money is withdrawn from circulation and when interest rates increase. The answer is simply that less is produced and, therefore, there are fewer jobs for people in the area of production and distribution. When that happens, Mr. Speaker, there is less money to spend and we find ourselves in the downward cycle in which we have been for the last ten months.

The government has realized this and, during the last three months, has attempted to reverse the situation. They have doubled the money supply in circulation, have lowered the cost of interest, have desperately brought in policies that will stimulate the economy because they know that their restrictive policies have inhibited the economy, resulted in unemployment and that these negative policies were bringing the country to the brink of disaster.

These are basic economic principles which experience confirms, yet when these facts were brought before this House in the debates on the budget last spring the government said they knew what they were doing. In a country, such as Canada, with an economy as diverse as its regions and industries, it seems to me that the government should operate a fiscal and monetary policy in a regional perspective to bring this situation under control. When unemployment is the intentional creation of a government under the pretext of trying to lower the rate of inflation, that government ought to be honest and acknowledge overkill. They should make an effort to restore jobs and provide a livelihood for those Canadians who want to work and to contribute to the industrial expansion of this country. They should be provided with work or at least with the opportunity to work.

Some hon. Members: Hear, hear!

Mr. Thompson: Mr. Speaker, the situation which we face at this time is tragic for many Canadians and I think that makes the motion before us a relative thing for most Canadians at the present time. It is not only the fiscal and monetary policies which are at fault in this regard, but also the tax reforms proposed in the white paper. I think there is no single act of the government which has caused such a slowing down in the economy as the recommendations included in the original white paper when it was brought in nearly a year ago. It was brought in as a basis for discussion and there has been a tremendous amount of discussion during recent months. That aspect has been good, but when the government brings in a white paper reflecting the policy of the government—because it is drafted for this Parliament and the Canadian people by the government—and when the wrong and illogical contents of such a document cause distrust, fear and suspicion in the business and industrial segments of the economy, then the only thing that can happen is a deliberate slowing down because of the uncertainties which its recommendations generate. The Minister of Finance (Mr. Benson) has said that he is certainly not going to implement all of the recommendations and that there will be some changes from the white paper in his next budget, but the damage has already been done. Although the money supply today has increased in volume, the lack of confidence of the general economy in the government's policies is such that it refuses to pick up this extra money or use this lower interest rate which would prevent, under normal circumstances, this intolerable situation.

• (3:10 p.m.)

It is important that I refer here to the provincial governments and to their increased burden of responsibility, as well as that of municipal governments. There is no place in the economy where the pinch is felt as much as it is at this level. When the recent constitutional committee met I think every one of the premiers expressed grave concern about unemployment and the general economic conditions. This concern is already beginning to show itself in the budgets about to be introduced by the various provincial legislatures. The

financial strain that has been imposed upon the provinces, the tremendous effects of the high rates of interest and the lack of money for public development, have worked hardship at that level of government far more than at the federal level. That is why, in the present situation, it is clear that the provincial governments are the ones most concerned about the actual levels of unemployment. They are concerned first, because they have not been able to undertake many projects relating to expansion of sewage facilities, pollution control, the expansion and building of hospitals and schools and, secondly, because one of the side effects of unemployment has been that welfare costs have increased for both provincial and municipal governments. These welfare programs are now very costly for the municipalities. In 1970, as a result of high unemployment, municipal governments in total spent $275 million to finance welfare expenditures, as compared with $213 million in 1969. That is a 23 per cent increase. This is one reason the economic community, provincial and municipal governments have lost confidence in this government.

The government has the responsibility of administering the affairs of the country and to initiate proper economic and fiscal policies as it sees fit. We can only talk to the government and draw its attention to those things that we are trying to recommend, because we think that our suggestions might be useful in the situation. That is why the motion we are considering was moved. I believe that we are speaking on behalf of the vast majority of Canadians who know that the situation is grim, and know the realities of it.

Some hon. Members: Hear, hear.

Mr. Thompson: The last two days of the budget debate were spent in debating unemployment. May I mention one or two points at this time to emphasize again that this is still the most crucial problem that we face at present. If we could have confidence in the pronouncements of the government and the Prime Minister, that this is merely a seasonal situation, that it has been a difficult and cold winter, that other factors have contributed to the situation and that, since spring will be here in a month or so, unemployment will go down rapidly, perhaps we would not be so concerned. I am concerned now because the change in the financial policy has had such little effect. The influx of a greater volume of money into the economy has done little except put a bit of moisture into the sponge. The availability of money is not great enough to stimulate the development of the country. The same degree of unemployment still exists.

It is true that unemployment will go down somewhat this spring and summer; yet the indications are that the level of unemployment among students this year will not go down to the level it reached last year. I am not concerned so much about what will happen in the coming spring and summer, as I am about students who are completing their education and who will not be able to obtain employment. I am even more concerned about what will happen next fall and next winter; that is when the real impact of present policies will be felt. We warned the government about the situation and hoped that they would do more than they have to correct it. I think that the government must consider lowering the unemployment level to a more desirable figure. I say that because that is a prerequisite of social justice. Too many of our young people are unemployed; too many cannot find jobs in the summer or after leaving university. Those who have completed their formal education expect and desire to find work. If we deny them the opportunity to work we shall erode their faith in the future of their country and in the ability of the government, which has responsibility in this area, to provide what has been promised, what has been expected, and what it is the right of these Canadians to expect.

How can we expect our young people to have confidence in a country which cannot provide them with the means to live and which puts them on welfare. Such actions do not encourage the initiative, the enterprise and ability of which our young people are capable. Our nation needs those abilities. It is high time that the government revitalized its policies to meet the situation. In order that full employment may be generated—I do not use the term "full employment" in the sense that 100 per cent of our work force will be at work, because that would be impossible when one considers our climate, regional disparities and distances, but in the sense that not more than 2 per cent of our work force is unemployed—it will be necessary, by 1975, to create between 1.3 million and 1.4 million new jobs. As the Economic Council of Canada has indicated, our present output performance is below average. How then can we expect the necessary jobs to be available within the specified time? The growth in employment in 1970 was 1.3 per cent, the lowest growth in employment since 1950.

Some hon. Members: Shame.

Mr. Thompson: These are statistics that we cannot rationalize away by using phrases such as "seasonally adjusted".

May I refer, Mr. Speaker, for a few minutes to the expansion and growth of our economy. I think that unless this economy can be expanded, unless our gross national product can increase year by year, the jobs so necessary to provide work for our people just will not be available. In my province, Alberta, there are literally thousands of oil wells. We are grateful for that tremendous petroleum reserve. We note with interest that reports in today's newspapers indicate that as a result of agreement between oil companies and middle eastern countries, the price of imported of oil will go up. That agreement, which for the time being, will solve the petroleum needs of Europe and, in part, of our eastern seaboard, will mean an increased price. In my opinion, although there had not been a price increase for a number of years and the middle eastern countries were quite justified in asking for more money for their oil, this agreement is bound to have a tremendous effect on the oil industry in this country.

It has been said that it is impossible to ship western oil economically to eastern Canadian markets. That argu-

ment will no longer be effective in view of the increased price of oil coming to our eastern seaboard. Our own oil coming from the west to the eastern provinces will be cheaper than oil coming from outside, under the new price agreement. Certainly, the time has come for us to consider extending our oil transportation system, at least to Montreal. The facts of economics dictate this. No longer does the argument that this course is not economically sound hold water. Above all, the present agreement has forced the United States government to realize, and it ought to force this government to realize as well, that we must depend more upon our own oil resources than upon those of the Middle East or South America. The agreement, I am sure, will have a tremendously stimulating effect upon the expansion of our own oil industry. The industry will undertake more exploration and develop more pipelines that will supply our own markets with our own oil. We must be thankful that we have such oil to develop.

You know, Mr. Speaker, of the thousands of oil wells in Alberta, Saskatchewan, Manitoba and British Columbia, it is difficult to find many that are actually owned by Canadians. More than 90 per cent have been drilled by, and are owned by, subsidiaries of United States companies. My purpose in bringing up this matter at present is not to condemn the United States because the financial interests of Americans and their tax policies have allowed them to do for us something that we did not do for ourselves. That being so, we do not really have too much reason to complain.

Some hon. Members: Hear, hear.

Mr. Thompson: In this country there are thousands of oil wells. More will need to be drilled. Who will carry out this exploration and this development? Because of the present tax policies of the government, it will not be Canadians. It is almost impossible to find Canadian financial backing for any venture that is based on the search for much needed oil resources. There are at least $12 billion in the savings accounts of the Canadian people. In addition there are billions of dollars in the hands of insurance companies, trust companies, and mutual funds. The money is here. We have the know-how as well. Perhaps the exploration ability of the Canadian mineral resource industry is unsurpassed by any country in the world, including the United States. The tragedy is that the resources are there and Canadians do not develop them. With regard to the petroleum industry, the oil is there but something is lacking. What is it?

• (3:20 p.m.)

There is a complete lack of concern, vision and action on the part of the Canadian government, the Canadian financial authorities and the securities commissions which have the financial responsibility. If they did have the concern, the situation would not be as it is at the present. Furthermore, the discriminatory tax laws of Canada place Canadian investors in an inferior position to American or European investors. If there are losses involved in risk investments, the Canadian investor is not allowed to deduct them in calculating his income tax. Although mineral exploration is a high risk venture, the opportunity is not there for Canadians. However, it is there for American and European investors. They can afford to invest in Canadian oil development. Canadians cannot because of the tax policies that are presently followed by the federal government.

Mr. Woolliams: And the fear of them.

Mr. Thompson: The tax reform recommendations in the white paper on taxation do not do anything to correct the situation. In fact, they make it worse. They destroy confidence and incentive. This is why Canadian money is not being put into our investments.

Some hon. Members: Hear, hear!

Mr. Thompson: I want to ask the Minister of Finance and the Minister of Agriculture (Mr. Olson), who know as much about this as I do, if investment in Canadian development is good for Americans, why is it not good for Canadians? I would like the answer to that question.

Mr. Olson: We do not reach that conclusion.

Mr. Thompson: The money is available in Canada today. The monetary supply has doubled in the last few months since the government reversed its monetary policy. The banks have more money available than they can find people to borrow. They are even advertising for borrowers. Yet, the Canadian investor is afraid to invest. He lacks confidence in the policies of the present government.

Some hon. Members: Hear, hear!

Mr. Thompson: An independent, fully Canadian-owned oil company recently drilled two producing oil wells in central northern Alberta, thus establishing a new field. To drill out this area, the returns from which are now just as certain as catching fish in a barrel, this company needs $7½ million to drill some 40 wells, the estimated number of wells necessary to adequately develop this particular area. Where does this independent company go for the $7½ million capital? It wants to obtain this money from Canadian sources rather than sell out to American interests. The financial resources are there if they can find them. If this company seeks to obtain this money from Canadian sources, it will have to wait from three to five months for the Alberta Security Commission to grant approval for a new issue of shares. That is the first obstacle it will meet. Then, the company must go to Canadian financial houses in Toronto or elsewhere and literally beg on their knees for investment in their project.

This is what happens when a company tries to sell a Canadian low-risk development investment proposition to Canadians? The company does not have money available for such a procedure. As a result, it goes to Houston, Dallas, New Orleans or Denver where it gets the money within 48 hours. The representative of the company does not have to physically make the trip. He can make all arrangements on the telephone. Bay Street brokerage

houses will not do anything for them. They are more interested in selling eastern Canadian mining ventures or United States industrial stock, often highly speculative, than they are in selling those of western or northern Canada. American investors are looking for investment opportunities, even high-risk investment opportunities. A Canadian company does not have to even send its president to these places. Everything can be done over the telephone. This is a travesty of justice. It is a tragedy. Anyone who knows the situation knows that this is true. It is not only easier to go south to the border to obtain investment money, it is cheaper and more satisfactory. A side comment here on Canadian know how is that the United States exploration success ratio in oil drilling is only one sixth of that in Canada.

The Minister of Finance talks about buying back Canada through the Canada Development Corporation. I went through my file on the CDC before I rose to speak. I noted that for the past seven years there has been mention in Speeches from the Throne and in policy statements of Liberal governments that a Canada Development Corporation would be initiated and implemented. Finally, after a seven or eight year gestation period, the baby has been born. What do we have? We have something that could just as well have been aborted because it will not be useful to correct this situation. It will not encourage new companies, investment and development. It certainly will not accomplish what Mr. Gordon said could be accomplished through such an organization. Others have talked about it as well. It could accomplish these things if it were organized on the right basis.

Why can the government not draft legislation which will let Canadians compete on an even basis with American investors? In the United States, the individual and the corporate investor have the right to invest their money in the United States or in Canada before they pay their taxes. If the investment is not successful or profitable, the United States taxpayer can deduct his losses. In Canada there is no such provision. If the Canadian taxpayer is not careful, he will be charged by the Department of National Revenue. In fact, it seems that the tax department looks upon the Canadian investor with suspician and doubtful motivation. All too often he is judged guilty before he even acts. This is a tragedy. We are faced with unemployment, a lack of confidence in government and a situation which relates to provincial and municipal governments. The whole problem with regard to our economic position has been brought about because of a lack of policy and lack of confidence. If we cannot expand, how can we provide jobs? How can this country go forward? This is the question of the hour. It is up to the government to answer this question.

Some hon. Members: Hear, hear!

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to address myself to this very important motion. It is indicative of the situation in this country that such a motion should be discussed in the House today. The motion states that this government has failed to meet the needs of the citizens of Canada. It reads:

[Mr. Thompson.]

—dislocated the finances of provinces and municipalities, and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies.

• (3:30 p.m.)

Only a short while ago the urban municipalities were conducting a survey of the situation which they were facing. I wish to talk mainly about the farm and grain situation. It is a fact of our economic life that farmers, whether they are in grain or livestock or fruit, do not live in isolation economically from the rest of the community. Neither, of course, do those who live in cities live in isolation from the farm community. At no time has this been better demonstrated than it is now, in western Canada and in Saskatchewan in particular. The *Star Phoenix*, reporting on a white paper put out by the provincial government in December, used a black headline "Economic Boost seen for province". Underneath, it said: "White paper indicates recession low point passed". The old term used to be "turned the corner". Now, we say the low point has passed—we have bottomed out. I do not know whether we have bottomed out or not.

The agricultural policies which the government is proposing must be judged in the light of the circumstances which presently exist. They must be judged in the light of whether or not they meet these circumstances and whether they will correct the malaise which exists in a major part of the farming and rural communities of Canada, particularly in western Canada. Meanwhile, the low earning power of the farmers finds its expression in the empty storefronts in some of our small towns and in some of our cities. It is reflected in the conversation of the businessmen who live in the area.

Last Friday, in the city of Saskatoon, the Prime Minister (Mr. Trudeau) together with a large number of other cabinet ministers met the farmers in a ballroom at the Bessborough Hotel. The seating accommodation was entirely taken up, and all who could stand crowded in as well. The size of the meeting indicates the degree of concern which exists in the province. I wish to read briefly, now, from the grains policy proposals for the western grains industry. I shall begin with the last paragraph on the last page. It reads, under the heading "Encourage adjustment of farm units to more efficient sizes":

The problem of farm consolidation is one which is not peculiar to the prairie region and which, perhaps, is less critical in this region than in other areas of Canada. It is therefore believed that it would be inappropriate to proposed programs for the prairie region to deal with the consolidation issue in advance of the availability of programs to deal with this problem in Canadian agriculture generally. Such a general plan is in preparation.

So, the government apparently has under consideration a plan for farmers. It proposes the establishment of farms of a more efficient size. You know, Mr. Speaker, this final paragraph on the last page is perhaps the most important part of the whole document.

Mr. Benjamin: It scares us most, anyway.

Mr. Gleave: The rest of it is made up of proposals intended to relieve the government from having to pay

out too much money, from having to take too much responsibility, from embarking on too large a commitment to the farming and rural community of western Canada.

The government is now bringing forward two major measures which will affect the direction and destiny of agriculture in Canada generally, and grain production in the west in particular. One is the marketing bill, Bill C-176, and the other is the grains policy white paper or proposals to which I have referred. We need to examine these policies but we also need to assess the situation they propose to deal with. While the Prime Minister and the other ministers were in Saskatoon, the provincial treasurer of Saskatchewan, under a Liberal government, was releasing a white paper on the subject of the economy of that province. It said, among other things, that the average Saskatchewan farmer owed the Wheat Board between $1,070 and $1,250. This means that farmers, in addition to living off their depreciation, have been selling their grain ahead of time because they did not have sufficient funds, and are now trying to pay this money back. If hon. members want to bring a statement of this kind on to an individual level, let them talk to a man who lives on a good farm and is unable to pay his taxes in full because he is determined that his son, who is at a university, should stay there.

The white paper said realized net income would show a decrease as compared with 1969. It blames the decline on lower production due to a reduction of seeded acreage under the federal government's Lift program, and a minimal final payment on wheat, oats and barley sold in previous years. It put the blame where it belongs. The provincial white paper goes on to say that grain delivery was approximately 40 per cent higher in 1970 than in the previous year but that receipts from the sale of grain were only 22.6 per cent higher as a result of lower final payments and lower unit prices.

These are the circumstances with which the government's proposals purport to deal. As I say, I am convinced they are intended not so much to deal with the situation which is so well described as to ensure that the government does not become too deeply involved at a time when the country finds itself in a fairly serious situation. The object is to limit government involvement. These government proposals are not based on the need to increase or even to maintain income but, as the paper says, on stabilization of income. This means stabilization of income equal to the coverage of the previous five years, not on the farmer's cost of production. The government ignores the need to correct the situation; instead it bases its proposals on a previous five-year period, the record of which has not been all that good, namely a five-year average and an initial price which can only be related to international market terms.

• (3:40 p.m.)

During the question period today, I asked the minister what his reaction was to this statement made by the Canadian Federation of Agriculture:

> —we must on this occasion stress as strongly as we can that the government grains receipts and stabilization proposals—which clearly will be on all our minds as we meet here today—do not represent an adequate undertaking by the federal government to assist and protect the position of prairie grain producers. They do not represent a sufficient acceptance of responsibility by the government, on behalf of the Canadian public and in the national interest, to share the costs of maintaining this vital industry in the face of widespread, highly subsidized international competition, violent swings in market and price conditions and intense competitive pressures.

In the submission of the National Farmers Union which was presented to the federal government at Saskatoon there is this statement:

> Secondly, while producers contribute to the program as individuals, stabilization payments are determined on the amount of the industry-wide aggregate short-fall or gross income from grain sales. Consequently, there is no guarantee of individuals income needs being, in fact, stabilized in times of greatest need. What is required is a larger allocation of funds from the federal treasury to provide the comprehensive program required. Indications are the minister in charge of this program is hamstrung by the conventional wisdom the government is employing in its approach to this important problem. We, therefore, request government re-examine its position on this matter.

I noted with some interest that one of the ministers of the Crown said in Regina it was too bad that the farm organizations could not agree on their approach to the government. I have referred to the agreement and also to the similar stand taken by the two farm organizations that are most representative of farmers in that particular area, and they express their reaction. They have good cause to take the position they do.

As I have said, Mr. Speaker, the total program must be examined in terms of the existing situation. The situation is that last week the minister in charge of the Wheat Board had to inform hon. members that all attempts to reach a real agreement on the international marketing of what had failed and that the negotiations for an international wheat agreement had come to a standstill. In other words, the government are well aware that we are now entering into a period of absolutely cut-throat competition overseas. We may or may not be able to continue to negotiate an agreement to hold the line on prices with other governments. As a result, for the first time in many years the farmers will be taking the full brunt of savage competition in export markets.

What does the government propose to do to meet this situation? It has brought in a proposal under the grain stabilization program that would largely relieve the government of the responsibility of supporting the wheat farmer in the export market. I say this in view of the fact that initial prices of wheat to date have been tied to the International Wheat Agreement. These initial prices are established each year and reflect two factors: firstly, the level of the minimums reached in the international wheat agreements or secondly, the production costs within the economy.

The government has announced that it has a stabilization program that is going to follow the pattern of the previous five years. Initial prices are going to be set at the beginning of each crop year. However, the government carefully refrains from announcing that those initial prices are going to be set in accordance with the needs of the farmers, their production costs, or any other

consideration of that sort. Anyone who does not examine the facts of life in this situation is missing the point, namely that the government is relieving itself of its responsibility to the farmers, it having allowed international arrangements or agreements on the pricing of wheat to break down and fall apart.

I do not think we can lay the whole blame for this at the door of the government. I think most of those who are close to the situation are aware that the United States did not particularly want another agreement with stated minimums; at least, that is the conclusion I draw. If it had wanted an agreement, we would not have had to renew the old International Wheat Agreement on two or three occasions previously, and then travel to Geneva and negotiate a new IGA that was as full of holes as a sieve.

Mr. Douglas (Nanaimo-Cowichan-The Islands): With an 11-month gap.

Mr. Gleave: Yes, a period when the market was wide open. So, I only lay partial blame at the door of the government. Under these circumstances, the government is telling the farmers: "Not only will you cut your cloth according to your purse, but we are going to do the tailoring after you have cut the cloth". This, in effect, is what the government is saying in the final paragraph on page 20 of its statement "If there is too much trouble", the government is saying to the farmers, "you can take it from there".

I do not know whether there was a little bit of kidding going on a year or two ago, but when the minister introduced the Lift program, he said Canadian farmers were going to reduce wheat acreage. He clearly implied that other countries were going to join us in reducing their acreage. Now, I don't know where they got their commitments from, but...

Mr. Olson: And did they not do so?

Mr. Gleave: No, they did not.

Mr. Olson: The hon. member should check his facts. That is absolutely wrong.

Mr. Gleave: If the minister thinks he has something then God bless him. Certainly, I hope he has a great deal more than he has shown. I hope the government has a couple of hole cards because it is certainly going to need them, and so are we. If the minister could say to this House that we are to reduce acreage and other nations are to reduce acreage also, then by clear implication we would be dealing with nations who, in the immediate future, would be prepared to meet us around a bargaining table and come to terms on price and quantity. There is no other implication one could draw, because what good is an acreage reduction program without a price factor since we would get the worst of both worlds. We would reduce our acreage and there would be no possibility of having maximum efficiency and production. For what? For a great big zero.

• (3:50 p.m.)

Let us have some elementary economics in the picture. This is where we stand. I say we are left with uncertain days ahead. I do not think we are faced with a disaster unless the government should continue to act with lack of determination to back up the farmer and give him some confidence. That is the critical factor in this area because the farmer cannot enter the international market on his own under the circumstances which he faces. He cannot expect to survive on his own because he does not have enough money in the kitty and, under these circumstances, whoever is marketing our grain must compete with the U.S. treasury, the European Economic Common Market, the Australians and other people in the market who are supported by government. That is the game. With a few exceptions, there are centralized selling and buying agencies in the major markets of the world, so we are in that kind of game.

A year ago barley, at the point where I deliver, was worth 64 cents a bushel. We said we would go into the market and sell the barley. Good enough; that is what we should have done. The government picked up some of the deficit. I do not know what will happen this year. There are people who know, but that is not the important thing. But how, with any conscience, in another year can we lower that initial price? We know we ought to increase it if the farmer is to continue to produce. If we do lower it, who will pick up the tab? The government obviously should. Yet in this paper which the minister has put out there is no mention of any commitment whatsoever to maintain an initial price which relates to the cost of production. That commitment is not there. Indeed, the responsible minister on more than one occasion has said that whatever is done must be done within certain limits. He is approaching this thing from the wrong end. The proper way to approach it is to see what is needed so that the farmers may operate as a unit and be competitive in the market. The proper thing to do is to ascertain what is necessary, see what we can afford and then tell the western Canadian farmer what is going to be done. I say that the Canadian farmer is just not buying this program.

Mr. Olson: Try to help sell it.

Mr. Gleave: Me help sell it! If the government would bring out a program that would help the farmer in Saskatchewan be viable, be able to use all the technology, his efficiency and know-how in order to stay in business, then I would support such a program.

Mr. Olson: That is what it is all about.

Mr. Gleave: When that kind of program is put on the table, I will support it. However, I do not intend to support a program that is designed basically to get the government in the position of putting a minimum amount in the pot so that it can sit back and say: Don't bother coming back to us again; you have all you are going to get.

I wanted to put these thoughts before the House today, Mr. Speaker. I support the motion that has been moved and seconded by the two hon. members.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, rereading the text of the motion before the House, I realize that the wording used reveals, in learned terms, that its purpose is to point out several administrative blunders in various fields and to prove that the numberous errors of the pesent administrators have helped discourage the farmers in particular.

Of course, the topic is very important; it deserves the contribution of as many members as possible, and their greatest possible understanding, with a view to calling the attention of those whose responsibility it is to take decisions on the various reactions of the people, many of whom I feel have exhausted their reserve of patience, after having multiplied their representations and their claims, whenever they felt them to be timely.

We all know that farming methods have changed, as methods have in other fields, and that the consequences of those periods of adjustment or orientation imposed sacrifices on a large percentage of the farmers who, in large numbers, were forced to borrow from the Farm Credit Corporation. Moreover, the fact that too many politicians seem to have considered agriculture as an industry of little importance, except at election time, has not helped them any.

• (4:00 p.m.)

For a number of years, the various governments were concerned with getting as many workers as possible into agriculture and now, this same farmer cannot operate his farm economically without relying on government assistance.

I have read a very up to the point article by Mr. Lucien Gosselin, a realistic agronomist of my area, which I will quote in part:

> It is often said that agriculture is a school of common sense and observation, which leads the farmer of today to seek the middle term between the theoreticians lost in the clouds and those who will not give up ancient farming methods. It will be argued that some routine methods of our grandfathers must be dropped, but it is often comforting to rely on their good judgment always based on plain common sense. That is perhaps one of our natural resources which is most threatened today by the sheer might of our techniques.
>
> Some claim that the size, the enlargement of farms might be a solution. I can understand that a farmer should have a reasonably large farm, but the acreage is not necessarily the solution to the problem. By enlarging farms exceedingly, do we not run the risk of creating other problems more difficult to solve? Is the problem of western wheat producers solved? And yet their farms are certainly big enough.

We must at all cost preserve the importance of farming, because of the permanent role it assumes as regards production of human food.

The world is facing now the most serious problem on earth which is to feed a constantly increasing population. "We might, in a few years, be faced with a problem which will overshadow all our present concerns", said Dr. Raymond Ewell, vice-president of the State University of New York. Experts who have considered the problem of world hunger have made several other statements to the effect that starvation could very well become one of the greatest calamities of history.

On the basis of all these statements, we have the right to wonder what are the intimate thoughts of our leaders, of our government heads, or of all the other groups, when they advocate a decrease in the number of farmers. Our government goes even as far as subsidizing some farmers for not producing like what is happening in Western Canada. This is not the first time that our politicians implement such a policy. In 1938, the Canadian taxpayers contributed several million dollars in taxes to be deprived of bread. The government at that time could not find a better solution to the problem of farmers producing too much wheat.

With respect to the dairy industry in Eastern Canada, this government has changed its program by resorting to deductions from subsidy payments in order to pay for the operating costs involved in surplus production.

In 1967-68 farmers from Eastern Canada paid more than four million dollars. In 1968-69 they paid seven million and in 1969-70 more than 13 million. It is a kind of fine they have to pay because they produce too much. It is levied against them because they produce too much milk. The reports are incomplete. That is a rather strange way of encouraging production. In our present system things get complicated when there are too many products. Advocates of the "just society" are unable to spread abundance and prefer to follow the guidelines of the scarcity system dictated by the financiers.

We could build up sufficient food reserves and make them available to the Canadian people and this for several years in advance. There are various means to process raw materials and modern methods of conservation and we can also alter the distribution system of goods. We could establish a mechanism for adequate purchasing power in order to make that wealth of goods available to the citizens instead of depriving them for the only purpose of maintaining prices at a certain level.

We could also set up a distribution chain of foodstuffs to feed under nourished people. While Canadians would be assured of a decent living, they would also be ready to help underprivileged countries. Such a policy, in addition to being an example of Christian charity, would be more readily accepted by Canadians than interest-free loans due in 50 years or more, while in Canada, a great number of people have to make do with a welfare allowance which barely enables them to subsist.

For several years already, practical suggestions have been submitted to governments by those concerned with finding solutions to the problems of food supply, through a marketing of dairy products with various flavours. We feel that milk could advantageously replace our numerous soft drinks. It would be better for the health of children, especially now that we favour a return to healthy habits and to natural food. This would also be excellent for dairy producers, particularly when one

thinks of the millions of dollars that are spent yearly on publicity by the major manufacturers of soft drinks. If we compare with the budgets of groups concerned with the consumption of milk and dairy products, the situation becomes dramatic.

Unfortunately, all of us can see that the butter market is invaded by margarine. Why the increase in the consumption of margarine? It is not because this product has a better flavour than butter. No. It is because it is cheaper. We always come back to the question of purchasing power. Some people interested in margarine sales maintain that this artificial product, with colour added if required, costs less and is more within the means of low-salaried people.

It does not seem fair to me that good natural butter be reserved for people in easy circumstances and that a substitute be offered to manual workers. All citizens are entitled to consume one of our best Canadian foods, and let us not make the serious mistake of antagonizing consumers and turning them away from agricultural products to the point where our market is flooded with substitutes whose acceptance will be detrimental to the sales and revenues of our dairy farms. Butter sales drop in the same proportion that margarine sales increase.

Instead of trying to solve the problem by starting with the farmers, who are already too hard-pressed, and by asking them to bear cost price reductions, it might be advisable to re-organize the marketing of dairy products. For this purpose, one could perhaps look to other fields, that of the automobile for instance, where the entry of foreign cars into the country is subject to control.

The problem results from the lack of markets for dairy products. It would be advisable to attempt to enlighten some people who do not realize that they are contributing to under-consumption in our population through the adoption of certain legislative measures that reduce purchasing power instead of stabilizing it. The variety of our taxes is a striking example of this.

I admit that a well-balanced dairy policy, which would enable farmers to sell their products, would be ideal. Meanwhile, a policy of subsidies may be beneficial if it is tailored to the needs.

The production system in Canada, in agriculture as elsewhere, has constantly improved. I do not think there is a single Canadian who fears that, in 10 or even 50 yeras, his country will not longer be able to produce wheat, butter or meat. Canadians have full confidence in the production system. On the other hand, the financial system is not in harmony with the production system. Canadian farmers produce everything that nourishes, while the financial system depletes credit.

• (4:10 p.m.)

Some men are capable of dreadful thoughtlessness. It is unbelievable to find to what extent the habit of seeing prevents them from looking. It is not at all necessary to have a university degree to understand that under the present system freedom is conditioned by the amount of money left in one's wallet. If the government takes too much, by levying taxes, whether visible or invisible, the citizens will revolt and rightly so.

A vigourous publicity program would be needed to increase consumption of butter and other dairy products.

It is not normal that in a country such as ours, workers' families should be deprived of good Canadian butter to use margarine because of their low income.

I also believe that most farmers support fully all programs established under the Agricultural Rehabilitation and Development Act, that is ARDA.

The purpose of these programs is to redevelop and improve the use of farm lands, water resources, forests and, finally, to improve the profitability and efficiency of farms.

So, ARDA should be administered with objectiveness and care so as to minimize economic and human problems which will necessarily be brought about by these adjustments in the field of agriculture.

As these present needs are urgent, we are asking the federal government, in co-operation with the provinces, to try to define and develop the outline of the policy for ARDA in the years to come. We are also asking that financial assistance be sufficient to prevent any dealy in the implementation of existing programs. Let me now describe what is happening.

In my constituency of Kamouraska, we have a program for the construction of dikes along the shores of the St. Lawrence river, which would permit the recovery of thousands of acres and would considerably increase the land yield in several waterfront parishes. This project has been under study since 1937. I would like to point this out to the Minister of Agriculture (Mr. Olson) and to his Parliamentary Secretary (Mr. Lessard). At that time, 34 riparian owners signed an agreement regarding a free right of way on their properties so that necessary repairs could be made.

A survey made in 1951 shows that there are 325 acres of fertile soil to be recuperated in certain areas. In November 1951, a sum of $81.12 was paid to the Quebec Department of Agriculture by the county council for certain projects carried out by the department with regard to this dike.

In 1953, the hon. Laurent Barré, then provincial Minister of Agriculture, estimated the construction cost of the dike at approximately $50,000 and requested a $5,000 grant from the council before authorizing the work, which those involved considered to be too expensive in the circumstances.

In 1956, Mr. Avila Bédard, Deputy Minister of Lands and Forests of Quebec, authorized surveyor Marc Thiboutôt of Sainte-Anne-de-la-Pocatière to carry out the survey, draw up the plans and prepare the books of reference in order that titles might be issued to future purchasers.

In 1961, the Department of Lands and Forests turned the shore rights over to the Department of Natural Resources.

In 1962, the Minister of Natural Resources sold the shore rights to citizens of Saint-Denis and Saint-Louis-de-Kamouraska by patent letters, at the price of $1 per arpent. From now on, the price will be $1.50 per arpent.

At present, the dike is in its initial condition. There are no construction plans, no estimates, no evaluation and above all no money. The dike should be rebuilt closer to sea and according to a master plan.

Dikes were built some 50 years ago at a time when each did his bit as he saw fit, when timber was not selling well. Nowadays, timber is too expensive.

The Saint-Germain dike would allow to recuperate from 1,000 to 1,200 acres of land; the one at Saint-André, a few hundred acres; something could also be done at Notre-Dame-du-Portage. At Sainte-Anne-de-la-Pocatière and Rivière-Ouelle, recuperation would be more significant, which in my opinion, means that despite the high cost, it would be worthwhile to achieve the project. With machines and materials available today, the dikes could be built under favourable conditions. The county council is very interested and so are a great number of farmers because many think the best lands would be those close to the river.

It is obvious the assistance of public authorities is needed to achieve this vast project. I believe it is an area where ARDA could apply, but decisions must be taken by the responsible authorities. It is not enough to say in reply to requests for assistance that the problem will be taken into consideration while results and decisions never come.

I have here a letter dated July 21, 1970 from the Assistant Deputy Minister, Central region, Department of Regional Economic Expansion, which says that the matter will be discussed with representatives of the Quebec Department of Agriculture. On November 2, 1970, the secretary of the municipal corporation of the Kamouraska riding received from the assistant executive secretary to the Minister of Agriculture and Colonization of the Quebec government the following reply:

According to the information received, I am sorry to advise you that we will be unable to implement your first resolution concerning the construction of functional dikes on the south shore of the St. Lawrence River. The reason for this refusal is very simple: all problems relating in any way whatsoever to the river fall strictly within federal jurisdiction.

I say therefore to the members of the government party that the time has come to act with regard to the dikes in the riding of Kamouraska.

The resolution that was the object of the debate adds that the government helped disorganize the finances of the provinces and municipalities, and was prejudicial to rural communities. Allow me to point out that that disorganization unfortunately dates back a long time and that several successive governments contributed to it in no small measure. The defenders of the corrupt financial system we have today are responsible for that situation.

During a federal-provincial conference held in Ottawa on January 14 and 15, 1941, the Premier of Ontario, Hon. Mitchell F. Hepburn, read part of a letter he had received from the Prime Minister of Canada, the Right Hon. Mackenzie King, on November 2, 1960, and I quote:

While the cost of unemployment relief has been reduced, the war has cast additional burdens on governments and taxpayers alike. It has inevitably increased the competition between governments to secure revenues, and has aggravated the overlapping, cumbersome and discriminatory character of much of our tax structure.

Things were already going rather badly at that time.

At the end of his speech, the Premier of Ontario said to those participating to that conference, and I quote:

And while you thus obligated yourselves to fight this war with the last drop of printer's ink and to the last page of *Hansard*, confusion, utter confusion, would prevail in all governments as existing tax machinery bogged down.

Hon. T. D. Pattullo, Premier of British Columbia, said the following as shown on page 42 of the report:

MONEY ROOT OF TROUBLE

Money, of course, is at the root of this whole question. While monetary measures should be based upon the productive capacity of our people, the productive capacity of our people can be amplified by wise monetary measures and other considerations.

Another premier, Alberta's Honourable William Aberhart—he who had succeeded in putting the financial administration of that province back in order—after having mentioned the advantages and disadvantages of speaking last, made the following remarks intended to the various heads of governments:

I do not believe that the British North America Act, or confederation, or whatever you like to call it, has been responsible since that time for the three D's which have marked the industrial history of some of our provinces—I mean, decadence, debilitation, and death. I do not believe that confederation was the cause of these things, but I avow, sir, that something has been responsible for the awful plight that has settled upon the provinces. I notice sadly that the Ethiopian is still at large; the blight continues.

And further in the same speech, Mr. Aberhart stated and I quote:

Now, what is the job of each of us at this moment? Is this conference a ration line, where we are to receive our dole, or is it a place in which each must grab all that he can carry away with him? Is it not rather a conference to which we are privileged to bring, for the benefit of the Canadian nation, the combined gifts of thoughtfulness, wisdom, foresight, vision, tolerance and understanding with which we Canadians may be endowed?

Is this not our golden opportunity to lay the foundations for the never-before realized gifts of fraternity, freedom equality of opportunity, and, what is also important, financial security? We are here, honourable chairman and gentlemen, I take it, to make it possible at some near future date to formulate for Canadians a series of decisions which will give them security in old age and the right to enjoy, according to their needs, the abundance of food and clothing and the comforts of adequate and sanitary shelter which the limitless resources of this great dominion can provide. We are here, I assert, to establish a heritage of education for those who seek to learn; of health for those who suffer pain or disease; of security and delivrance from debt of those who have builded homes in their prime of life and who may face eviction and the loss of their sacred firesides when the lean years descend.

Economic Conditions in Rural Communities

• (4:20 p.m.)

We are here, I believe, to draft a scheme of things for the Canada of the future, a scheme of things which will bring to that Canada a standard of justice which shall place human values above dollar values, a scheme of things that will provide for our fighting heroes when they return a standard of national viewpoint which shall not only recognize, as you have publicly stated, Mr. Prime Minister, but which shall further decree, that that which is physically desirable is financially possible.

Judging from the events which occurred in Canada since then, I note that the recommendations made during the federal-provincial conferences are far from being implemented. We would rather go on floundering in the stupid system of today, making every effort through every possible means to deprive the Canadian citizens, through a variety of taxes, from the revenue they need with the resulting disorganization of farming, unemployment, unpaid and unpayable public debts of municipal, school, provincial and federal governments. And I do not think that the solution to the many Canadian problems will be found with such small constitutional reforms as we have been witnessing for too long.

What we need is a true monetary reform which would take into account the needs of the people and would allow for an intelligent and just distribution of the abundant production which is available to us.

If we go on looking for solutions along tracks already beaten by selfish financiers we run the risk of finding ourselves all in designated areas where Canadians will be numbered, classified, taxed and riddled with debts and asking themselves with anguish when they will be integrated, disclassified, retrained or nationalized. There are indeed enough examples to incite us to direct our decisions towards a better end.

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I welcome this opportunity to make a few remarks about agricultural policy and the development of that policy over the past few months. I think, however, that the composition of this motion again demonstrates the ingenuity of the opposition and, particularly, of the hon. member for Peace River (Mr. Baldwin) to be negative and destructive, to initiate and perpetuate a myth, to ignore the facts and to continue to widen the credibility gap between his party and the Canadian citizen.

Mr. Alexander: Six hundred and thirty-eight thousand are unemployed.

Mr. Olson: That is unfortunate, Mr. Speaker. The motion provides me with an opportunity to discuss some developments in the area of agricultural policy and program changes which have taken place during the past few months. Before I embark on those comments, I suppose I ought to reply briefly to the main theme brought forward by opposition spokesmen who have so far participated in the debate. It seems to me that the comments of the hon. member for Red Deer (Mr. Thompson) bore very little relevance to the wording of the motion. At one point he tried to suggest that the government ought to stop making proposals to the Canadian people by way of white papers and that sort of thing.

[Mr. Dionne.]

Mr. Thompson: I did not say that.

Mr. Olson: He is very, very wrong indeed if he thinks that he can, either by that speech or any other way, persuade the government to stop putting proposals before the people and asking them to respond to those proposals before coming out with hard and fast positions. We began some time ago this very useful process of consultation with the people of Canada. We have done this so that we shall not "govern by surprise". The people of Canada accept that as good policy. That is part of the process of the development of policy and it is a process which we intend to continue.

Mr. Thompson: It is a good process so long as the proposals are proper.

Mr. Olson: Next, I refer to the comments of the hon. member for Saskatoon-Biggar (Mr. Gleave). I am sorry that he did not have time to stay and listen to this important debate on agriculture.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege.

Mr. Olson: Mr. Speaker, there is no privilege here; the hon. member is not in the House, and that is all I have said.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Deputy Speaker: Order, please. Will both hon. members please resume their seats? The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am rising on a question of privilege and to ask the minister if he is not aware of the fact that the Canadian Federation of Agriculture is meeting with our caucus at the present time, and that that is why the hon. member for Saskatoon-Biggar (Mr. Gleave) is not here? I stayed here in case something like this was tried.

Mr. Olson: Mr. Speaker, I am also aware that whenever there is not one particular minister in the House, no matter how valid the reason for his absence may be, the hon. member gets up and comments about it. He always draws the attention of the House to that fact and decries it.

Some hon. Members: Hear, hear.

Mr. Olson: I think that the members of the NDP, who are so good at this sort of thing, ought to be reminded that only one of their members is present in the House while the debate on agricultural policy is taking place.

Mr. Knowles (Winnipeg North Centre): You will admit that he is a pretty good one, though.

Mr. Olson: Oh, yes; he is a good member, although he might not be very good at agriculture.

I think that the hon. member for Saskatoon-Biggar ought to get his facts straight before perpetuating the kind of myth he tried to bring before the House respecting what has happened during the past 12 or 18 months.

He talked about those things that are tremendously important in the field of agriculture, and particularly about grains policy. The result of the international meetings in the field of grains policy has led to a much more satisfactory climate on the selling side, and this is evident in that international market today. I will have more to say about this in a minute.

I listened very attentively to the hon. member for Kamouraska (Mr. Dionne). I think he tried to outline some of the problems facing farmers and tried to suggest that these problems could not be solved by consolidating farms. I suggest to him that perhaps he ought to consult with the hon. member for Bellechasse (Mr. Lambert) who sits behind him. He will learn that the great problem of poverty and low incomes in agriculture in most parts of Canada today is directly related to the advance of technology. Far units must become economic units if they are to stay competitive in the production of those commodities; and, therefore, we are doing agriculture a service by providing policies that may lead to the kind of consolidation that will transform farms into economic units.

Regardless of all the weeping and wailing that may go on from time to time with regard to the overproduction of food in some areas, and the underconsumption or lack of food affecting people in other parts of the world, the fact is that all farmers must live with the market place. This is the place from which they derive their income. That is where they obtain their gross receipts with which they must pay their operating costs and from which they derive their net income. May I say that the total amount laid out by the Canadian treasury at present for food aid and other international programs is many, many times what it was before this government came to office. The outlay for food outlay alone will approach perhaps close to $100 million in this year. We have gone almost as far as we can without upsetting markets, etc., in the recipient countries. I know of no case where a government has made a request to us under the rules that are usually respected in the international field with regard to gifts of food aid where this government has not responded and provided whatever we had to meet that request. I repeat that farmers have to live with the supply and marketing conditions within our area. They must not produce more than the effective market can absorb, notwithstanding the fact that there may be people somewhere in the world who can use this food. We have to bear in mind that it is cash receipts that are important to the well-being of farmers in Canada.

• (4:30 p.m.)

I now wish to deal specifically with our agricultural policy. The motion claims that serious damage to rural communities and to farmers was brought about by the failure of the present government to provide adequate agricultural policies. Any objective member of this House who wants to use even a little integrity and honesty in his assertions will agree there is probably more agricultural policy, leadership and new departures in coming to grips with the fundamental problems in agriculture before the farmers, the country and this Parliament than at any other time in recent history.

Some hon. Members: Hear, hear!

Mr. Olson: I think that the proposals we have made, the meetings we have had, the great agricultural congresses which have been successful in having the kind of discussion that the farmers want to have and, as well as other means of consultation, have led to the evolvement of policies for the general improvement of the agricultural community.

In addition, for the first time in the history of the Canadian Parliament, all of the agriculture bills have gone to the Standing Committee on Agriculture. The committee can call witnesses and listen to opinions of farm organizations during the process of passing these bills. I think it is fair to say that in almost every case very important amendments have been made to these bills based on the representations of the farm organizations. I suggest that the kind of assertion in the motion at this time is not in keeping with the facts.

Mr. Yewchuk: Will the minister permit a question?

Mr. Olson: I wonder if hon. members could hold their questions until the end of my speech. I only have 30 minutes. I have so many things to say that I am afraid I might not get them all into that 30 minute period. If there is time at the end of my speech, I will be very happy to answer the hon. member's question and other questions.

I think that the Department of Agriculture, the Department of Industry, Trade and Commerce and other departments are spending a greater portion of their time than ever before on the marketing aspects of agricultural products, both in the domestic and international field. I think that is a proper attitude and change of emphasis. I say that because I realize that our production technology has advanced to the point where Canadian farmers are capable of overproducing almost any commodity when they set out to produce to their maximum capability. What is more important, they can overproduce all commodities at the same time. The technology and know-how that our farmers possess today enables them to produce so much more in relation to a few years ago that we now have to turn the emphasis on finding better ways and means of having orderly production and marketing rather than constantly producing against the depressed prices that surpluses create.

I suggest that Bill C-176 is one step in the program of coming to grips with the basic structural requirements by way of amendments to policies and programs that will lead us there. From time to time temporary action has to be taken until the organizations are functioning well under the authority of Bill C-176. Occasionally this has been done under the authority of the Agricultural Stabilization Act. During the past few months we have taken action on such things as potatoes, apples and broilers under the Agricultural Stabilization Act. We have also taken action on corn under another authority. We will continue to do this when we find a particular sector or commodity within the industry in difficulty. Farmers and provincial governments agree that there is now a deficit in the total

legislative authority that is required to really come to grips with some of these fundamental problems. I hope that members opposite will cooperate with the government to reach the point where we can significantly and substantially improve this situation in the shortest possible time. That kind of co-operation has not been made manifest up to this time.

I now wish to deal with the dairy policy. Hon. members are aware that there have been some very important changes in the past 12 months; first, in the general improvement in the economic well-being of the dairy industry, and second, in the kind of structures to keep it that way and to keep moving up from the very unsatisfactory position which has existed for a number of years. I want to offer my appreciation and congratulations to the dairy farmers of Canada and to other interested organizations, particularly organizations at the provincial level, which have spent a great deal of time and effort during this past year in order to reach the agreement which was formally signed on January 14 of this year.

Under the new market quota system that is now in effect, we have reached the stage where we do not have any surplus of Canadian cheddar cheese. But the end of the dairy year, March 31, we will probably have virtually no surplus skim milk powder. We probably have approximately 30 million pounds more butterfat than is required for usual commercial marketing. However, now that we have increased the price of these commodities, we have an even greater responsibility to ensure that we manage this with the co-operation of the industry in such a way as to keep the industry healthy. I think that hon. members will agree that more milk should be diverted to the cheese factories for the production of cheese. Recently, the price has been around 55 cents which is 8 cents more than it was under the old support price program. This is something we should weigh very carefully.

• (4:40 p.m.)

On the one hand, if there were a large diversion to cheese we could do a great deal of damage to the satisfactory situation which exists today. On the other hand, if we fail to divert enough milk to cheese making we might cause a sharp increase in the price of cheese because of temporary shortage. This would inhibit an expanding market in Canada and possibly cause a very large diversion of milk to cheese production, as a result of which we would be faced, first of all, with unhappy customers because of higher prices and then, when the price came down, with unhappy producers. So, there is a delicate balance to be maintained and the situation has to be watched carefully. The domestic market is growing quite satisfactorily. Now that we have all the milk, not only in the manufacturing sector but also the over-quota milk from the fluid milk sector under these quotas, we have to make sure that we produce enough to supply the market, and not more, at a reasonable price.

Turning to grain, I am the first to acknowledge that the grains industry, particularly in western Canada, has come through a very difficult period. I do not believe we have yet reached a point at which we can say that no further difficulties are likely with respect to cash flow and farm incomes, but I think it is fair to say that the federal government has recognized that producers were having a difficult time. Hon. members can look back over the figures at the size of the transfers which were made from the federal treasury into the grain economy during that period. It is, indeed, significant. Well over $200 million has been paid in the last 12 months through the various programs which have been in effect, programs such as the Temporary Wheat Reserves Act, the Lift program, cash advances, the deficits in the wheat pool accounts which were paid by the treasury, and so on. I am sure no member of this House and, indeed, no farmer in western Canada, would wish the situation to remain such that it was necessary for the federal government to transfer this amount of money into the grain economy every year. I believe it is fully justified in a situation where there is a depressed market and very limited marketing opportunities but, hopefully, the action we have taken in co-operation with other producer countries around the world has resulted in a much healthier and more satisfactory international market. In these circumstances, therefore, there will be no need during the next 12 months for sums quite as huge to be transferred in order to keep this industry viable.

Some hon. members complain that no satisfactory agreement was reached in Geneva during the past few days. I suggest that what came out of this conference was, in fact, a most useful agreement. It is an agreement which provides, or continues to provide, for consultation and for the monitoring of prices. It continues to place some obligation on all the exporting countries to monitor their prices and to consult immediately if there is a serious downward trend in prices. It provides for other useful things as well. Some hon. members have focussed solely on the price range which was contained in the old International Grains Arrangement and in some of the international wheat agreements prior to that. They have complained that such a feature is absent from the agreement. But the history of these international commodity agreements shows that when there is a price range, from a floor price to a maximum, and when there is production in excess of requirement imposing a downward pressure on prices, almost without exception the price has gone through the floor. The last time this happened, hon. members opposite were the first to complain that Canada had waited too long before adjusting her price after other nations had penetrated the floor as far as prices were concerned.

There is another thing I want to say with respect to this grains proposal and what went on in the past 12 months. I might point out that what took place was not really negotiations; they were discussions with all the other leading exporting countries of the world. They were meetings with representatives of the United States, Australia, Argentina, the European Economic Community and other exporting nations. I am not trying to persuade the House that what Canada did under the Lift program by way of reducing the acreage was solely responsible for the improvement in the international market. I real-

ize, too, that there was no formal agreement signed between Canada and the other countries concerned. But look at the record, and see what happened. Canada reduced her acreage under wheat, because of huge, unmanageable surpluses, by about 50 per cent, from 24.8 million acres in 1969 to just over 12 million acres in 1970.

In Australia they have a different system. What they do, under their wheat board, is to announce in advance how much grain they will take from all producers. Presumably there is no market available at all for grain produced beyond that amount unless world markets suddenly open up. In other words, there is no guarantee. What they did was announce in advance that they would be taking 257 million bushels of wheat, a 40 per cent reduction compared with the year before. Bear in mind that the year before they had registered production in excess of 500 million bushels. Between 1968 and 1969, and again between 1969 and 1970, the allocation for wheat acreage in the United States was reduced by about 15 per cent in each period. There were reductions in the acreage shown in other parts of the world as well.

The action which we in Canada took is not solely responsible for the present improvement in the situation, nor is the action taken individually by any other country. But as a result of these meetings, as a result of the situation in which all these countries found themselves, which was basically similar, I suggest that the action taken together by all these countries did lead to the greatly improved situation which is evident in the market today. I believe my colleague, the hon. member for Saskatoon-Humboldt (Mr. Lang) can take a great deal of credit for his participation in these meetings.

I wish to touch briefly, now, on two or three other matters. Under the Farm Credit Corporation program we have made a number of commitments during the last 12 to 18 months. For example, we have provided credit for diversification, credit which was not provided for under the regulations prior to that time. We have provided credit for debt consolidation which was essential in the circumstances encountered in some areas during the difficult years. We have provided for deferment of payment by farmers who could show it would work hardship, or be impossible, for them to obtain the financial resources from their sales to meet payments on time. There is much, much more. And I can say this: we shall be bringing in further amendments to the farm credit corporation program to make sure that this very important organization which has done so much for agriculture generally will be able to keep abreast of changing conditions and meet the requirements of modern agriculture.

• (4:50 p.m.)

The government advised the House many months ago that it was prepared to bring in an agricultural adjustment program to deal with the problem facing those farms that are so small that the operators find it impossible to compete, to pay their expenses and enjoy a decent standard of living as a result of their labours. I am pleased to advise the House that I now have authority from the cabinet to initiate a program that the government would be prepared to introduce. Hon. members are aware that $10 million was provided in the current main estimates for this program. The Prime Minister has written to the first ministers of all the provinces in the past few days outlining in general terms what the government is prepared to do. I have written a letter to each minister of agriculture outlining more or less the same proposal, and also suggesting a number of dates for getting together to finalize this policy and put the program into operation.

Discussions with the provinces must be held in order to ensure there is no duplication of, or contradiction between, the programs the provinces have to deal with this particular problem and the federal government's program. Our program is going to be a national program. In almost every agricultural area of Canada, communities are facing the same kind of problem I have outlined, though some of the provinces are in a substantially better financial position to remedy the situation. Not only this, Mr. Speaker, but there are individuals within those communities faced with economic problems who are now reaching the age when they should retire from agriculture. In my view, it is essential that this program be a national one that can be applied and administered uniformly across the country, embracing all sectors of agriculture—the dairy, grains, livestock, fruit and vegetable production, and so on.

Consolidation into economic units is not by itself going to be sufficient; some way must be found through this program to enable farmers to utilize the assets they have. If farmers decide to retire from agriculture because they are at or near retirement age, the program will allow them to do so with a high degree of dignity and security, something that has not been available to them, in my view, in the past. I hope it will not be long before I can announce the details of the program to the House, having had discussions with the provinces.

In conclusion, I wish to assert again that during the past year and a half or so there has probably been more leadership, more consultation, more policy changes and more new departures from established programs requiring more courage to come to grips with the fundamental and basic sectors of agriculture than ever before, quite contrary to what the motion alleges. I suggest the action taken by the government is going to lead to an improvement of the economic wellbeing of farmers generally in whatever sector of agriculture they are engaged.

One additional thing we need to do—

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister but I must do so to advise him that the time allocated to him has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Does the House give the minister unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Olson: Mr. Speaker, certainly I will not abuse that privilege; I had reached the concluding sentence of my remarks. May I say in conclusion—and I say this very sincerely—that what we need now is a great deal more

co-operation from all members of the House to implement the programs that are before this Parliament. The greatest service we can do the farming community of this country is to implement the government's programs. After experience thus gained, we will be able to make further amendments to them if this is found necessary.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Athabasca (Mr. Yewchuck)—Canadian Broadcasting Corporation—Program "Sesame Street"—Classification of content—Educational value; the hon. member for Battle River (Mr. Downey)—Grain—Lift program—Extension of deadline date for payments for hail damage; the hon. member for Winnipeg North Centre (Mr. Knowles)—Pensions—Old age security—Acknowledgement of return of basic increase by certain pensioners—Use made of money.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED LACK OF GOVERNMENT LEADERSHIP RESULTING IN DAMAGE TO COMMUNITIES AND PEOPLE

The House resumed consideration of the motion of Mr. Baldwin:

That this House condemns the government's lack of leadership which has humiliated the disadvantaged, dislocated the finances of provinces and municipalities, and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, having heard the Minister of Agriculture (Mr. Olson) telling the House that his country has never seen so much leadership from him and his government, I am wondering why this "travelling circus" has just returned from the western provinces. I think they went out there to give support to the minister in charge of the Wheat Board as well as to the Minister of Agriculture. Indeed, there is no doubt about that. As I understand it, the minister's trip was not too successful.

Mr. Olson: We had wonderful success.

Mr. Alexander: In any event, it appears to me to have been an exercise in futility, and I think this will be borne out later by the remarks of those more expert than I in matters of agriculture.

The minister alleged that the hon. member for Red Deer (Mr. Thompson) had not spoken to the motion. This motion is so framed that no matter what you say about the government's fiscal and monetary policies you are still within the ambit of the motion.

[Mr. Olson.]

Some hon. Members: Oh, oh.

Mr. Alexander: Let not hon. members opposite refer to the pork barrel reorganization bill, which is another devious ploy on the part of the government. The Prime Minister (Mr. Trudeau) has said: "It does not matter how many camels I ride, if unemployment increases we won't be in government". That may be a little out of context, but the gist of his remarks is there. There is a feeling of pessimism and despair running through this country at the present time purely as a result of the fiscal and monetary policies of the government which have created unemployment. The government has created an horrendous situation, one that we cannot tolerate. We cannot tolerate it because it affects our prime resource, human beings who want to stay in the labour force or who want to get into the labour force. It is all very well for the government to announce that the seasonally adjusted rate has dropped, but this is cold comfort both for the 668,000 individuals who are unemployed and for the municipalities whose welfare facilities are already strained to the limit.

• (5:00 p.m.)

When I go back to the city of Hamilton and find the unemployed lining up for welfare at the rate of 60 a day because they cannot get unemployment insurance, I question whether the government is at all sincere. As I understand it, the unemployment insurance fund has increased from $450 million to almost $500 million. Yet it seems to me the government is more concerned about its anti-inflationary fiscal and monetary policies than with the hardships suffered by hundreds of thousands of people who are unemployed. This is obvious to anyone who is interested, because we are not interested in statistics, seasonally adjusted, unadjusted or any kind of adjusted. The actual figures indicate that the unemployment rate is 8 per cent which is 668,000 people. What is disturbing is that when we extend this figure to include the families, we find a large number of families are involved, businesses affected and so on all down the line. The Lord knows how many people are affected by the policies this government seems to accept and force on the people in this country.

Mr. Baldwin: There are only nine Liberals in the House and they will be unemployed pretty soon.

Mr. Alexander: The unfortunate thing is that the government continually boasts about the success of its schemes. I would like to remind the government that unemployment was the creation of the Liberal government because of its obsession with inflation. It was the government's insistence on coping with inflation which brought public opinion so heavily to bear on unemployment that the Minister of Finance (Mr. Benson) was forced to make an enormous infusion of money into the Canadian economy. Unemployment is not licked so long as there are over 600,000 people in the labour force who are unsuccessful in finding jobs.

Then, we come to the regional area which is extremely important. For some regions, the worst unemployment is yet to come. Not all provinces will participate equally in the initial stages of recovery. Daily, there are new reports of mass firings by floundering companies. Obviously, this creates pockets of severe regional unemployment not included in the national figure. When I returned to Hamilton I spoke to representatives of several industries there. These people were extremely concerned about the government's restrictive policies which leads one to the conclusion that we will see more unemployment. For one thing, the policies the government brings forward are not incentives; they are disincentives. One of the greatest disincentives was brought to bear by the fact that this monstrosity, the white paper on tax reform, was thrown upon the people of Canada. It has brought about uncertainty, fear and a lack of confidence. So long as we have this area of concern in respect of that item alone, I would say we are in trouble.

It seems to me the government does not want to back down. It will not admit that its policies have failed and tries to hoodwink the Canadian people in terms of the seasonally adjusted rate. I am very concerned about this, particulary when the Minister of Labour (Mr. Mackasey) indicates there is a problem in respect of unemployment and the striking worker. The government indicated that it was worried about man-days lost through industrial disputes and the consequent impact on the economy. One is led to believe that the industrial disputes have had a good deal to do with unemployment. My figures indicate that the number of man-days lost through unemployment in 1970 was 124.2 million and that only 7.8 million man-days were lost through industrial disputes. What further discouraged me was the fact that in Ontario, which is the one region which is supposed to have benefited from the government's policies, the seasonally adjusted rate is reduced. If it is reduced for Ontario, I respectfully state that the other provinces must be in dire straits. The provinces and the municipalities are suffering, and I am amazed at the fact that this government continually sloughs them off when their welfare rolls continue to increase rapidly with no help from the government.

The government deliberately creates unemployment and does not bring in effective reform through the white paper on unemployment insurance. Therefore, there has been no updating of the unemployment insurance payments and the same people who take advantage of the $500 million fund are going on the welfare rolls. The cities today take a dim view of this. A recent survey conducted by the Canadian Federation of Mayors and Municipalities has served to assess the impact of high levels of unemployment on welfare expenditures at the local level of government. Fifty-one municipal units, representing 91 per cent of the total number of respondents, replied that the impact of high unemployment levels has been to raise their welfare expenditures substantially above original budget estimates. The persistence of high unemployment levels, and their consequent effect on welfare expenditures therefore, can place severe strains on the financial capabilities of some municipal units. I wonder what members from the Toronto area are saying in Toronto today when they meet with the Metro council? I see the Parliamentary Secretary to the Prime Minister (Mr. Danson) is smiling in his charming manner. Perhaps he will become involved in this debate and tell us what they had to say to the city of Toronto, because if they do not have anything to tell they will not be around after 1972. I believe the parliamentary secretary knows this.

An hon. Member: We will be right back here.

Mr. Alexander: I doubt that you will be back unless you become more credible in respect of the demands of the Canadian people, their problems and the fact that you do not have any solutions for them. What concerns me also is the fact that there are unemployed in every class, from professionals to labourers, from students to highly qualified new graduates who expect to find employment on graduation. There are married men who wish a means to support their families and married women who wish to supplement the family income. I notice the Minister of Finance, as recorded in *Hansard* at page 2545, stated this:

> ... the official opposition, the Conservative party, appears to have as many ideas about the economy as it has spokesmen. This should come as no surprise to anyone, for when they were in office several years ago—and some members of that government are still seated on benches opposite—the nation suffered through the longest and most severe bout of unemployment in the postwar period.

It is not true that unemployment was more serious in 1958-62 than it is now. On CBC News Magazine of January 24, 1971 a university economist denied this allegation by the Minister of Finance. He stated four major points to substantiate his belief that the unemployment situation is much more serious now than a decade before. The following are his four points: First, unemployment now is extremely severe among young people, the age group which is extremely vulnerable to suffering a greater degree of deprivation than other groups because of their lack of sufficient build-up of unemployment insurance benefits and so on. In 1958 to 1962 unemployment was not concentrated among the young. Second, unemployment during the 1958-62 period was concentrated among the unskilled; now, persons of all varieties of skills, including the highly educated and the highly skilled are suffering from unemployment. Third, unemployment during the 1958-62 period came after a long period of upswing in the economy; the same is not true now. Fourth, unemployment now, but not during 1958-62, has come during a period of cultural tension. This fact, in itself, calls for more government intervention to alleviate unemployment than in previous years of decline.

Let me put something else on record in respect of the comments of the Minister of Finance, as recorded at page 2546 of *Hansard,* when the Leader of the Opposition indicated—he said this on several occasions—that we should have tax cuts, particularly for those on low income and even those in the middle income group. He mentioned that he would like to see the surtax removed. He also mentioned the fact that the white paper on tax

reform is unacceptable. The Leader of the Opposition has mentioned that the 11 per cent sales tax on building material should be removed. In short, he said that what we have to do is bring back confidence in the economy, to which the government has said "baloney". In fact, the Minister of Finance dared the Leader of the Opposition to try his tax cut program on the provincial governments. As recorded at page 2546 of *Hansard,* the minister said:

> • (5:10 p.m.)
>
> This would mean a loss to—
>
> provincial
>
> —governments, because reductions in federal income taxes also reduce the revenues of provinces which the Leader of the Opposition says have not enough money now. I hope he drops in on the Conservative Premier of Ontario as well as the Conservative Premier of New Brunswick and tries that idea out on them.

In November, 1970, the Hon. C. MacNaughton, Treasurer of Ontario and Minister of Economics, had this to say about tax cuts in a speech in the Ontario Legislature:

> In the context of our concern for the growing tax burden in Canada, I want to comment today on one particular tax measure that deserves immediate attention. While I recognize that tax reform now cannot become effective before January 1, 1972, I suggest to this House that at least one relief measure can be undertaken for the coming year.
>
> I refer of course to the present 3 per cent surtax on personal incomes, which was imposed in 1968 as an anti-inflation measure. Our reform paper takes a strong position that this temporary surtax should not be incorporated as a built-in component of a reformed income tax structure.
>
> Ontario urges that this 3 per cent surtax be terminated explicitly at the end of 1970, and that the white paper rate schedule be revised downward to reflect this fact.
>
> This step would be positive and progressive on a number of counts. First, it would generate an immediate stimulus to the Canadian economy, which is required if we are to reduce unemployment and regain momentum and growth. Second, it would demonstrate to our taxpayers that temporary tax increases for economic stabilization purposes are indeed temporary. Third, by reducing taxes, it would restore confidence that governments are genuinely seeking reforms that benefit taxpayers.

An hon. Member: Genuine reforms.

Mr. Alexander: Mr. Speaker, I hear a voice in the wilderness over there. I wonder if the member is going to become involved in this debate or sit back and pussyfoot like the rest of them over there. I hope he has something concrete to say. If he has, I will listen.

I see that my time is starting to run out. In conclusion, Mr. Speaker, I just want to say that the government must create confidence. There is no sense in its going around talking about a seasonally unadjusted rate or adjusted rate if in fact 668,000 of our people are out of work. To hon. members opposite I say: look to the Leader of the Opposition who has given you leadership, who has given you direction in a number of areas, one of which I mentioned at length and which has been endorsed by the Provincial Treasurer of Ontario as a means whereby this problem can be alleviated.

To return to the Prime Minister, I wonder if he still sticks with that great statement he made some time ago that, "If the Canadian people do not like my policies they can lump them." Was that just another great boo-boo he made? Let me close by repeating my first statement, that it does not matter how many camels you ride or how many orang-outangs you court, if the unemployment rate continues to rise as it has—and it will—hon. members opposite will not be back in government.

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have enjoyed the humour in the debate this afternoon. I always enjoy listening to the hon. member for Hamilton West (Mr. Alexander). In fact, it was good to see him live today after watching him on television the other night until the wee hours of the morning. Incidentally, it is amazing how the Conservatives could take good Liberal voting machines and get all fouled up. They certainly do not understand our policies and they do not understand our voting machines.

I am sorry if the hon. member thought I was smiling while he was making his remarks. I always look that way before I get ill.

Mr. McCleave: Get on with your speech.

Mr. Danson: Mr. Speaker, I could call this a dog's breakfast motion. I cannot figure out exactly at what it is supposed to be aimed, but it certainly gives a lot of scope. A part of the motion deals with agriculture, and certainly the hon. member for Hamilton West has handled the fertilizer pretty well. The hon. member for Hamilton West mentioned that he does not care about percentages, that he does not care about seasonally adjusted rates, that he just cares about people. I believe that. I think we all do, and I think that is the prime concern of everyone in this House. The question is: are the right things being done or the wrong things? Are we trying to be short-term, medium-term or long-term in our approach? Fundamentally, there are three time phases involved in this question. First, there is the immediate unemployment, then there is the medium term aspect involving the provision of summer jobs for students. Finally, there is the long-range aspect which involves regional disparities and the total economic goals of our country.

The hon. member for Hamilton West mentioned the meeting which was held in Toronto this morning. Mr. Speaker, I attended that meeting, and had to leave it a little early because of my duties here. The meeting was a very constructive one, and was attended by members of all parties, including the convert Conservative member from Toronto, a couple of members from the other party down the chamber, members of the provincial legislature and of the provincial cabinet, and members of the municipal council. The Mayor of the city of Toronto wisely had specific proposals to make, proposals which I think made a great deal of sense. They happen to fit in with the loan fund program of the federal government under which, I understand, Ontario will get $17 million, of which $5 million will go to Metro Toronto. This amount will help accomplish a fair share of the proposals put forward.

It was rather encouraging for members of this House to be able to meet with other levels of government and find

specific proposals that matched specific programs, although all proposals did not match those programs. The trouble with debates like this, Mr. Speaker, is that we always seem to be trying to score debating points, and we do have a lot of fun with each other. But this is not a very humorous subject.

Mr. Alexander: I'm not joking; it's a very serious problem.

Mr. Danson: Then, you shouldn't talk about camels and orang-outangs. I hardly think that was a serious interjection, but that does not matter. I understand the hon. member for Hamilton West, and boys will be boys. The fact is that there are difficulties which are cyclical in any economy, and one government deals with them one way and another in another way. I know that when the Conservative party was in power they had their problems in 1962 and 1963, but I would like to deal with those problems which I think the present situation creates. I should like to mention how I think we should face them and deal with them in very specific ways.

I think the present situation presents business management with some very real facts of life. I think that industry, to a very large extent, was enjoying a boom over a long number of years, in fact unprecedented in our history, and as a result got into some rather sloppy habits. This is part of the reason for a necessary readjustment. It is one of the things that contributed to inflation. This is a tough way for management to have to become efficient, but in our market economy it is one of the things that happen to work. I think that management is looking at its own organization as it never has before. This one of the healthy manifestations of the situation, and in this country if we are to survive economically with our very high standard of living we must give more attention to the techniques of management that will help us avoid these cycles. May I say I also hope members of trained management will join us in government where their help will be valuable.

I think management must look at the competitive situation not only within our country but also in the export field. This involves a very serious look at the research and development policies within industry. Mr. Speaker, I am looking forward very much to the second report of the Senate Committee on Science Policy. The first one was extremely interesting reading, giving a historical review, but I look forward to the second one in the hope that it will make specific recommendations which will enable us to point our industry in the right direction selectively, and make productive and profitable.

• (5:20 p.m.)

I suspect that one of the problems, although I cannot pin it down, is that we have another bank operating in the market place today. I call it the BCF and BAR., the Bank of Cash Flow, or Bank of Accounts Receivable. It is a very odd thing in our economy today, and it is having a very important effect on the morale of business. We have come from a period of high interest rates and tight money. Now, interest rates are going down, money is looser, banks are much more willing to lend but the uncertainty within the business community has made it reluctant to borrow. Another special factor is involved, namely, that during this process everybody started banking on everybody else. Customers did not pay their suppliers, who in turn did not pay their suppliers. In business today, there is so much energy and time wasted in trying to keep the cash flow going that businessmen are forgetting to do those things which are productive. Not all of them are forgetting, of course, but I do not think any businessman is unaffected by the cash flow problem. While he might be able to borrow money from the bank more easily than before, he is afraid to do so because then his customers will use him as their banker.

An hon. Member: Have you heard of the white paper?

Mr. Danson: You could call the white paper a red herring in this context. I think the people have misunderstood and have blamed the white paper for this situation, but I don't know if that is what we should be blaming here. I think there is undue uncertainty in many cases, but that is not the point I am trying to get at. However, perhaps it is one contributing factor, whether justified or not. The fact is, people are reticent and while this tremendous cash flow problem exists people are reluctant to hire and reluctant to invest. I am presenting a problem rather than answers, but I suspect that underlying a great deal of the uncertainty is the question of cash flow and this is something which must be overcome. Every businessman is trying to keep a tight rein in order to survive and meet his payroll. If he cannot relax in that atmosphere he cannot think ahead. I do not think there is an easy answer to this.

Mr. Alexander: Ask the Minister of Finance (Mr. Benson).

Mr. Danson: I think it is worth discussing with him if we can reach a solution to break the psychology. It is part of the psychology which exists and about which people are concerned.

Over a year ago when we were discussing inflation in the Committee on Finance, Trade and Economic Affairs in a semi-facetious way I suggested that people stop using the credit card system so freely. People were being seduced by the "red convertible loan" type of advertising to buy things they could not afford. I suggested that people should get a discount for paying cash.

Mr. McCleave: How did it go over?

Mr. Danson: I produced these cards called "Cashex". Normally, when a person goes into a store and uses the Chargex or Diners' Club or American Express card the storekeeper has to pay a 4 per cent to 7 per cent service charge. My idea met with a tremendous response and the card is now in its fourth printing in a year, representing some 17,000 cards. I have not tried to promote it but people responded. Editorials have appeared in the publications of a consumers' group, the civil service union and in some newspapers. At this moment, letters and requests

for cards are coming in at the rate of 50 to 100 a day, so people are concerned.

Mr. Alexander: What about the 668,000 people who have no cash?

Mr. Danson: This is not a panacea for all problems, but it is part of the cash flow psychology. If a storekeeper has cash as a result of not taking credit cards, he can use that cash to do his buying on much better terms and this should make things far more competitive. This is a concern which I did want to highlight, the question of cash flow, and I am only expressing it as a concern because I think it is destructive to the economy.

One of the other things that concerns me, Mr. Speaker, is the problem of summer employment for students. I was speaking to my son and my daughter-in-law to be, who is from Hamilton—

Mr. Alexander: Tell him to vote for—

Mr. Danson: I am going to be back next time, my friend, but we will miss you terribly. Of course, I will visit you when I visit my daughter-in-law in Hamilton. She is an arts student at York University and when we were discussing the problem of jobs and youth today, she pointed out that the universities are full of students in the general arts, political science and economics courses who do not know what they will do for a living. They wonder what we are going to do about it. We are spending an immense amount of our resources on education, not uselessly but not specifically either. These young people say that they did not know what they wanted in Grade XIII and their counsellors and guidance teachers did not know, either. When we look at the problem this summer we will have to look beyond it as well to understand what we are building—a generation of educated children with high expectations but no place to go. Perhaps that disturbs me more than anything.

An hon. Member: That is the just society.

Mr. Danson: The students in technical schools and in the sciences do have a specific place to go but the students with general arts degrees, for which we are spending tremendous amounts of money, have no place to go when they are through. This is an area which is provincial and not federal, but nevertheless we cannot help but be concerned and I do not think we should be afraid to deal with it.

The Acting Speaker (Mr. Richard): The hon. member for Qu'Appelle-Moose Mountain (Mr. Southam).

Mr. Alexander: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Richard): The time of the hon. member has expired.

An hon. Member: But he has not made his speech yet.

Mr. Alexander: In view of the fact that the hon. parliamentary secretary raised the point about the meeting between the federal members and the Metro Council, I wonder if, with the unanimous consent of the House, he could elaborate on that. He said that some constructive things had been decided upon, so perhaps he could let the cat out of the bag and let us know what occurred at that important meeting.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Danson: Mr. Speaker, there was no cat in the bag. It was a preliminary meeting and the mayor had some specific proposals which were rather interesting. I had to leave to catch a plane before the meeting was over, but I am looking forward to the further report of my colleagues. There was a considerable amount of enthusiasm for the reinstitution of winter works programs, assistance to the municipalities, and additional welfare benefits. The question of grants versus loans was also discussed, as was the new loans program to assist municipalities.

This brings up an interesting problem in the case of the city of Toronto because although they want grants, these are more expensive to Toronto than loans. Ontario gets back only 80 cents of every tax dollar it contributes to the federal treasury as a result of the equalization grants.

• (5:30 p.m.)

Quite properly, proudly and justifiably, we enjoy a greater income. We hope to distribute some of this to the less favoured parts of the country so that they may become prosperous. I think that is a reasonable summary of the meetings. Certainly it is not over. When I left it, it was hoped we would meet again in one week so that the programs which have been referred to could be further discussed. In my opinion that sort of trilevel communication is very helpful. Perhaps the hon. member would like to do something like that in Hamilton so that the local people could talk about such matters.

Mr. Alexander: They have heard that sort of thing before. We want action.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I feel that it is my urgent duty to rise in my place today and lend my full support to this motion condemning the government for the very serious plight in which our people find themselves. It is a plight brought about by the maladministration of this federal government.

Some hon. Members: Hear, hear!

Mr. Southam: I was interested in hearing several hon. members on the government side say that this was one of the most all-encompassing motions ever to be presented to the House. Why should we not present such a motion? As the hon. member for Hamilton West (Mr. Alexander) pointed out so well a few minutes ago, you can look at any part of the economy and you will find difficulties. So we had to bring in an all-encompassing motion. We have in Canada at present the highest degree of unemployment that we have experienced since the dirty thirties;

we are experiencing our highest cost of living, the worst inflation and the highest interest rates that we have ever known. The agricultural industry is staggering, we have a housing crisis and we have disunity in the country. You name it; we have it.

I listened with interest to the tortuous defence that the Minister of Agriculture (Mr. Olson) put forward in respect of the government's agricultural policies or, rather, its lack of them. Replying to several members, the minister dispensed his usual plausible nonsense. The fact is that his smokescreen covered up the government's lack of agricultural policies. He attempted to say—this is the inference that I drew from his remarks and no doubt it is also what other hon. members think—that the farmers of this country had never had it so good.

Some hon. Members: Shame!

Mr. McCleave: Tell that to the farmers. They will not believe it.

Mr. Southam: Two of the main economic problems raised today revolve around two of the basic sectors of our economy. Those problems are, firstly, the plight of our manpower forces, a plight brought about by the highest degree of unemployment in Canada since the hungry thirties and, secondly, the very seriously depressed condition of the Canadian agricultural industry. My own province of Saskatchewan has, in common with all other provinces, been hard hit by unemployment. This problem was debated seriously in the House during the past few days and I shall have more to say about it later in my remarks.

I wish to speak in the short time allotted to me about the serious plight facing our agricultural industry. The agri-industry in Canada represents the second largest source of income in our country, wood pulp and paper being first. Today agriculture is in the worst state of depression since the dust-bowl days of the thirties. Why has this situation come about in Canada? It is not nearly so bad in other countries. The answer, Mr. Speaker, is that this government and the previous government headed by Right Hon. Lester B. Pearson have lacked the experience necessary—I would even say, at times, the interest—to administer this most important segment of our economy.

Evidence of this lack of experience and lack of policy is found in all the royal commissions, task forces, agricultural congresses, grains committees, conferences, white papers and emergency meetings which have been set up to study the problems of our great agricultural industry. All these studies have done is create a great big political mirage which has led the farmer to believe that something is being done—and all of it has turned out to be window-dressing. The fact is that the costs of agriculture are accelerating by leaps and bounds and the return that the farmer receives for his produce in most cases is going down. The cost-price squeeze is now worse than ever before.

To further substantiate my charge, Mr. Speaker, that this government is floundering in the area of agricultural policy one only has to listen to the many questions that farmers are asking about government policies. The following are just a few of the many they have raised. They ask, first, what will replace the stability of grain prices once enjoyed under the International Wheat Agreement and more recently under the International Grains Arrangement which has just collapsed. Will there be a domestic two-price system that our competitors in other countries enjoy? Second, will acreage reduction programs be carried on in a similar way to the Lift program?

Third, will forage crop acreage increases be subsidized? Fourth, when will initial prices for the new crop year be set? Fifth, when will the new quota formula be established? Sixth, when will the various suggestions made under last fall's stabilization of grains policy be adopted and announced? Seventh, when will the Menzies report on the Canadian Wheat Board administration be released? Eighth, when will the serious fears relating to the government's white paper on tax reform be removed? I am talking of those fears which apply to agriculture. Ninth, does the government plan to move small farmers off the farm? Tenth, does the government intend to establish a special sales force to sell Canadian grains and products around the world? So the questions go, Mr. Speaker. All around there is widespread concern and confusion.

I wish to comment for a few moments on the minister's announcement of Thursday last concerning the collapse of the International Grains Arrangement. This announcement, I might say, was greeted with expressions of utter dismay, shock and even horror.

Mr. McCleave: The Minister of Agriculture (Mr. Olson) is leaving the chamber. He will not wait.

Mr. Southam: The minister referred to this general question—

Mr. McCleave: The minister is leaving. He should stop and listen.

Mr. Southam: —and went on to say that a great deal of good could emanate from the present arrangement even though there had been a complete collapse.

Mr. McCleave: The minister has gone.

Mr. Southam: I am referring to what the Minister of Manpower and Immigration (Mr. Lang), who reports to the House for the Canadian Wheat Board, said last Thursday. I quote from page 3275 of *Hansard* for February 11. The minister said in part:

> The results of this conference are far removed from what Canada had sought to obtain. However it should be borne in mind that the price provisions of the 1967 agreement have not been operative for some time. While the new wheat agreement now being concluded is of only limited significance—

Think about that, Mr. Speaker. That is quite the contrary of what the Minister of Agriculture (Mr. Olson) has just stated.

Mr. McCleave: Mr. Speaker, I rise on a question of privilege. The minister to whom the hon. member has just referred, the Minister of Agriculture, has left. The Minister of Manpower and Immigration (Mr. Lang), who

reports for the Canadian Wheat Board, was never here during the debate.

Mr. McGrath: The Minister of Finance (Mr. Benson) is not here.

The Acting Speaker (Mr. Richard): Order, please. I did not want to intervene. I regret that the hon. member should have raised this type of question of privilege. However, since he has raised it, that is that.

Mr. Francis: I rise on a question of privilege, Mr. Speaker. The Secretary of State (Mr. Pelletier) is present. The minister is temporarily engaged. Another minister left just a few minutes ago.

Mr. Southam: Mr. Speaker, I thank my colleague for his intervention. One can see that what I and others have been saying for a long time is correct. Apparently the government is not overly concerned about the problems of agriculture. If I may return to the International Wheat Agreement and to the discussions on that subject which have just collapsed, I think it might be worth while putting some facts on record. I think the government ought not to go unchallenged or uncriticized for what has happened in this area.

It has taken a backward step with respect to a matter in which over the years there was international co-operation. This agreement was made in 1949, after 12 years of behind the scenes negotiation involving 50 exporting and importing countries. The agreement entered into in 1949 worked successfully until 1961. On that occasion when the International Wheat Agreement was discussed—this was in the cycle of three-year meetings which the grains council or the wheat council called—a price increase of 12 cents per bushel was adopted. That price, it was hoped, would enable us to carry on successfully in the future. However, at that time many countries realized that some countries, and especially our friends to the south, had overly large surpluses. As a result, when the wheat question came up for study again in 1964 under the three-year cycle, our American friends persuaded other nations to agree to terms being set only on a one-year basis.

This led up to the 1967 meeting when the International Grains Arrangement was mooted at the conference in Geneva. The result was that the 11-month lapse that occurred in bringing in a new grains arrangement gave our competitors the opportunity of entering the market and playing around with it. In other words, while that took place the gentleman's agreement did not prove effective: several nations, including the United States, France and Australia, broke the agreement with respect to prices subsidies of transportation rates.

• (5:40 p.m.)

In the spring of 1965 the then Minister of Finance, now the Secretary of State for External Affairs (Mr. Sharp) was responsible for the Wheat Board. Instead of supporting this international agreement we were faced with the situation where the United States cut the price by 18 cents in 10 days. Instead of consulting with his counterparts in the United States, the minister advised the Wheat Board to cut prices, which they did. As a result, our Canadian agriculturists, particularly the western farmers, lost $90 million. This was exactly the trap into which the United States wanted Canada to fall. In case hon. members think I am being unduly hard on our neighbours to the south, I have mentioned previously in this House who was responsible for first breaking this agreement.

I wish to quote from a very revealing document, the "Pool Broadcast" for February 5, 1971. It refers to the Canadian Federation of Agriculture conference held in Ottawa two weeks ago. The guest speaker at that conference was Tony Deschant, president of the Farmers' Union of the United States.

> Mr. Deschant said if the United States and Canada had observed their pledges, the floor price of the IGA would have been maintained.

This is the salient point:

> He said it was the U.S. that first broke the price.

The Canadian agricultural industry and agricultural industries throughout the world are the losers.

A classic example of the kind of distorted thought-processes that underlie a recent budget is a statement the Minister of Manpower and Immigration made in Saskatoon on February 2, 1971. I wish to quote from the minister's press release. It gives a false sense of security or importance to the western philosophy. I quote as follows:

> Inflation is under control, the economy is expanding and every Canada Manpower Centre has long lists of educated, trained, experienced, aggressive, hard working personnel—

That is not a record of which to be proud. While the minister's statements on wheat exports often seem to be drafted by his immigration staff, this statement on manpower and the Saskatchewan economy must surely have come from the proverbial "down on the farm". Carried away by the Lift program, the minister's aides have coined a new one—Operation Earlybird. The basis of this bold scheme is that Manpower will be ready when the private sector of Saskatchewan dutifully divides itself into groundhogs and earlybirds. The earlybirds correctly go to Manpower to select new employees from an exceptionally wide supply of willing workers. I quote from the minister's statement:

> —every Canada Manpower Centre has long lists of educated, trained, experienced, aggressive, hard working personnel—

The long lists, of course, are with the compliments of the Minister of Finance (Mr. Benson). The Minister of Manpower and Immigration has no idea what the groundhogs will be doing. For the cautious, it should be pointed out that in our part of the country groundhogs have had an honourable and essential role in forecasting the length of winter. After reviewing the splendid contribution made by the federal government to Saskatchewan, the minister indicated that he will be going around saying, "I've just got to be optimistic". Perhaps he has concluded that the difference between a groundhog in the private sector and one on the Treasury Board is simply a

frame of mind. More likely it is a degree of financial solvency or bankruptcy.

In Saskatoon, the Minister of Manpower and Immigration spoke of the federal government pouring $60 million into Saskatchewan in 1970 through regional economic expansion, and $6.7 million into Saskatoon through CMHC. What he did not say, and what he has neither sold nor evidently tried to sell the budget makers, are the following facts about his native province: one, Saskatchewan got only two per cent of total federal public works spending in 1970; two, the number of housing starts fell to 993 from 4,425 in 1969 on a January to September basis; three, the number of motor vehicle registrations fell in absolute terms by 5,800 from 1969 on a January to September basis; four, retail sales fell by approximately $40 million on a January to October basis; five, capital investment fell by approximtely $70 million for 1970; six, gross personal income fell by approximately $200 million for 1970; seven, the total population of Saskatchewan fell by 23,000 people on a January to October basis.

Mr. Speaker: I regret to interrupt the hon. member, but his time has expired. Perhaps we might proceed a little informally. The Chair is not sure whether there has been agreement between hon. members as to who is to speak next. I do not want to do anything unfair. In the remaining 10 minutes perhaps we could hear from the hon. member for Fraser Valley West (Mr. Rose) who apparently has something to share with the Chair.

Mr. Rose: I thought there was agreement with the hon. member for Assiniboia (Mr. Douglas). He agreed that I could go first because of my illness. He was rather shocked—

Mr. Speaker: Order, please. I think this would probably be in order as far as the Chair is concerned. The hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) is rising on a point of order.

Mr. Southam: I do not want to differ with Your Honour's ruling as to the time I took to make my speech, but Your Honour will recall there was dialogue at great length by two other hon. members, which took up part of my time.

Mr. McGrath: I rise on the point of order raised by Your Honour. If the two hon. members cannot agree about who should speak next, I want Your Honour to know that I am ready to speak.

Mr. Speaker: Perhaps it would be easier if we called it six o'clock.

Some hon. Members: Hear, hear!

Mr. Speaker: I think at this point the Chair might recognize the hon. member for Fraser Valley West.

Mr. Mark Rose (Fraser Valley West): I thank the hon. member for Assiniboia (Mr. Douglas) for allowing me to go forward on compassionate grounds. I appreciate it because I have a very bad cold. I would like Your Honour to know that my speech is not to be sneezed at. I am interested in this debate. I just left a meeting of the Canadian Federation of Agriculture at which the problems of rural Canada were thoroughly examined. That group expressed its concern for the future of rural Canada. It is important to remember that policies that affect rural Canada ultimately affect urban Canada. I am sure everyone agrees that it is very important that rural Canada be kept as healthy as possible.

I am pleased to congratulate the mover and seconder of this motion. It may be regarded by some as a hydra-headed kind of motion; it gives us an opportunity to discuss matters of concern to particular members. My contribution in the 10 minutes at my disposal may be regarded as rather general. I prefer to think of them as being rather philosophical. They will not deal with any particular program which the government has placed before us but with what is happening in Canada in general.

I have entitled my little thought-piece "A new landed gentry". I say this because in many of the older societies such as are found in Europe and South America the people have been stifled. This is because the land in those countries has been delegated to a relatively few landed families or rural aristocracy. It does not need much study of the lessons of history to see that in Britain and Europe some of the most resplendent of the aristocracy traced their titles back to the huge estates they held over the years. In that situation, in older societies you find a concentration of land held in a few hands and, coincidentally, great masses of landless peasantry held in various form of bondage and, indeed, in some societies into the present century they have been used as agricultural labour.

• (5:50 p.m.)

It is to the landless that the revolutionary first appealed. We can cite the example of the Soviet Union, the Russian revolution. The same thing occurred in China, to some extent in Algeria and certainly in Cuba. I think we can predict that other parts of South America might be on this course. Remember, landless people have everything to gain and nothing to lose by revolting, and so the fight is on. I am sure the ancestors of many members of this House were attracted by the prospect of free land. That was the great appeal of America. So great was this appeal to the landless of Europe that within a century most of the land of North America, certainly in the western part, was taken up. We all know about that romantic era in our history. We harp back to it in all kinds of things like horse operas and television shows.

In Canada as opposed to America, about the same time as the land was being taken up, before the completion of occupation, came the technological revolution in agriculture. So with the introduction of new techniques and machines Canadian agriculture ultimately became so efficient that you could have one man on a farm feeding up to 40 people in the city. At the same time the land was filling up there was a migration of young people from that land into the urban areas, so we did not create in Canada a rural peasantry. I know there is a problem of rural poor in Canada but not to the same extent as in

other countries. Instead, there was a constant drift to the cities.

We are told that within a generation 90 per cent of the population will become city-dwellers. A recent report indicates that the most favoured areas for urban growth in the next 25 years will be the Niagara peninsula and the constituency I am privileged to represent in the Fraser Valley, both, because of climatic and soil conditions, about the best agricultural land in the country.

An hon. Member: Next to Norfolk.

Mr. Rose: Pollution will be concentrated in these areas and thousands of acres will be blacktopped because the redundant sons and daughters of rural Canada will gravitate to the growth areas having experienced the problems of living in rural areas. They will consequently depopulate the other regions of Canada, notably the Prairies.

Of course—this was the fear expressed many times on the agricultural committee's tour recently to hear representations on Bill C-176—this depopulation will lead to a weakening of political power because we have, at least in essence, representation by population. But an even more serious concern in my opinion is the trend to larger and larger agricultural units in western and prairie Canada and the coincidental phenomenon of more and more apartment dwellers, renters or tenants in the cities. It follows that if you have larger and larger agricultural units in a depopulated section of Canada and consequently a diminution of landholders in total numbers, and you have more and more renters in the urban areas, there will be a larger and larger number of landless people. They may not be a rural peasantry but they might well show a special concern about the urban problems of our society. They might be an urban peasantry.

This is what has been going on. I think it continues to go on. When you get people out of the prairie region and you have larger agricultural units, you do not remove all the problems; you create problems in the cities because of the effects of this concentration upon the quality of life. You have problems of housing, pollution, transportation, education, police costs, delinquency and all the rest of it. On the Prairies, of course, the big land owners are often faceless corporations. These new, larger land owners, often absentee land owners, will become the new landed gentry. There is a great opportunity for the new landless tenants to become the new villains. I think we should be concerned about this.

I know it can be argued with some justification that no one should own land anyway; that it is ridiculous, except in the case of large financial corporations, to turn land over from generation to generation on the basis of ownership. Leasing might be much better. Incidentally, some of the suspicions attached to the new marketing legislation have their roots in this very concern by people who live in rural Canada, particularly prairie Canada, that if you concentrate our people in a particular area of Canada, Ontario, the Niagara peninsula or British Columbia in the Lower Fraser Valley, or perhaps Quebec, what you have is a gravitation of political strength to those areas. Consequently, it does not matter how a particular party appeals to a particular area; the strength lies with numbers and it lies within a certain area. So after a hundred years are we not in danger of completing the cycle—

Mr. Speaker: Order. It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I am grateful for the opportunity to take part in this debate. However, I regret the bitter and unfair wording of the motion proposed by the hon. member for Peace River (Mr. Baldwin) who is becoming famous for vitriolic statements which almost invariably exaggerate the situation far beyond recognition.

It is my intention to address most of my remarks to farm policy, but I should like first of all to record my opposition to the suggestion in the motion that this government has "humiliated the disadvantaged." The hon. member cannot be referring to the old age pensioners who have little other income, because they will shortly be receiving a substantial increase in their guaranteed income supplement. Neither can he be referring to the unemployed, who have had an interim increase of 10 per cent and will soon have the benefit of much greater increases.

In addition, family allowances for low-income families will be increased from 100 per cent to 166 per cent in a very few months. The Canada Assistance Plan, which is administered by the provinces but supported on a dollar for dollar basis by the federal treasury, is constantly being improved from province to province. More and more housing is being provided, with federal assistance, for disadvantaged families. Policies for increased employment are beginning to be effective, and inflation has subsided. That record alone would be good enough to persuade me to vote against this motion if it should come to a vote.

As I said earlier, I intend to devote the little time I have—and it is far too short—to a discussion of the many things that the government has been doing for the farmers of Canada, particularly for the prairie farmers. I do this because the motion refers to the government's agricultural policies. On October 29 the minister responsible for the Wheat Board, the Minister of Manpower and Immigration (Mr. Lang), tabled in the House of Commons a set of proposals for the prairie grain industry, including a very interesting grain income stabilization proposal. I had an opportunity to discuss these matters with several groups of farmers in my constituency during the Christmas break and I feel I can make some useful suggestions about some of the proposals. Incidentally, I refer to the grain income stabilization plan because an item of $100

million was included in the recent budget to finance such a plan and because I expect legislation soon to give effect to it.

There are those who have criticized the budget because they say there is little in it for the people of Saskatchewan. They completely overlook the $100 million estimate of the cost of this grain income stabilization plan, the greater part of which will accrue to grain farmers in Saskatchewan. It is estimated that the gross income from the six major grains in the three Prairie provinces in 1970 was $823 million, $457 million of which was received by Saskatchewan farmers—about 55 per cent. Alberta's share of the total was 29 per cent and Manitoba's was 16 per cent. So if this stabilization plan becomes operative for this crop year and distributes $100 million to Prairie farmers as expected, about $55 million will find its way directly into the hands of the grain farmers of the top grain growing province of Canada, Saskatchewan.

• (8:10 p.m.)

Now I want to make a few comments about the grain income stabilization proposal to which reference was made earlier today. It seems to me that most farmers accept the plan in principle, but there are changes we would like to see made to parts of it. The major change has to do with the contribution farmers would make toward the plan. That contribution, it is proposed, would be as much as 3 per cent of their gross receipts for the six major grains—wheat, oats, barley, rapeseed, flax, and rye—to a maximum of $10,000 in any one crop year. Right from the beginning I have said that a 3 per cent deduction off the gross grain income is too great a burden, especially when net income from grain farming is very low or non-existent at the present time. Responsible farm organizations have asked that the deduction be no greater than 1 per cent of gross grain receipts and I urge the government to give serious consideration to that request.

Because stabilization payments to individual farmers, in those years that the formula would require such payments, would rise or fall in accordance with the individual farmer's success or otherwise in obtaining grain income, much concern is felt in parts of the Prairies which are subject to crop failure. They fear the strong possibility that they may suffer two or three successive crop failures at the time a stabilization payment became available. There are several ways in which this danger could be at least partly overcome. Farmers might be given the option of using the three best years in the past five or six to determine their three-year average. This might pose severe administrative difficulties but it is certainly worthy of investigation. Another proposal is to count crop insurance, hail insurance and PFAA benefits as grain income for purposes of the stabilization plan. This seems to be a very appropriate suggestion and I ask the minister to give it favourable consideration.

Because all-risk crop insurance is very vital for grain farmers and will become even more vital with this stabilization plan, I again urge all those responsible to make the existing plans in the Prairie provinces more attractive to farmers by improving the coverage, reducing the premiums, or both, so that farmers can and will protect their individual incomes against the many hazards in grain production in the west. The very least that should be done is to make crop insurance available to every part of the Prairies. As many members will know, the federal and provincial governments each pay half the administrative costs of federal-provincial crop insurance plans, and the federal government also contributes 25 per cent of the premium cost. I take this opportunity to again ask the federal government to increase its contribution toward these crop insurance premiums from 25 per cent to 50 per cent.

There are many other suggestions I could make for minor improvements to the stabilization plan but I will discuss these again, as I already have, with the ministers who are developing the plan. However, I must refer to the lack in the plan of any protection against inflation. If it stabilizes grain income at the average of the five previous years, and if the value of our dollar continues to go down as it has through most of Canada's history, we are not really stabilizing incomes. Instead of stabilizing at 100 per cent of the five year average, we should stabilize at 100 plus "X" per cent. The "X" per cent would represent the change in the value of the dollar over the five-year period or the inflation in the cost of production, which is almost the same thing. All in all, I believe the stabilization plan is a good one and is acceptable to farmers, especially if it can be amended in accordance with some of the suggestions I have made.

There is another feature of the October 29 announcement regarding grain production that I would like to comment upon. The suggestion that high initial prices might be used to persuade farmers to grow certain kinds of grain which might appear to be in demand, with any losses resulting therefrom becoming a charge against a future pool of the same grain, received the same universal rejection which I registered as soon as I heard it. I believe such manipulation is unnecessary. I believe that if farmers are assured of a market for a certain kind of grain they will undoubtedly produce it with the normal type of initial pricing we have known throughout the years.

If farmers themselves were making decisions about the level of initial payments, it might be defensible to suggest that they be held responsible for any consequent losses; but since the Wheat Board is not a producer-controlled board the government should continue to stand behind the initial prices they set. If all the same producers were in consecutive pools it would not be too bad, but there is continuous change in the list of producers of a particular kind of grain. New producers enter farming, other producers cease farming and many move in or out of the production of one or more of our grains from year to year. The greatest objection to such a proposition is that while it might stimulate production in the first year of its operation, it could have the opposite effect in disastrous proportions in subsequent years if it became apparent that there would be a loss chargeable to the next year's pool.

Because some opposition speakers have tried to leave the impression that Liberals have no concern for grain farmers I would now like to spend a few minutes reviewing this government's record with respect to the grain industry. This government has done many things in the past 2.5 years to assist grain farmers. Interest free cash advances were doubled, the Export Development Act was passed to provide better credit terms to our grain customers and the "block system" was devised to improve our grain transportation system.

On July 1, 1969, the government appointed Charles Gibbings to the Wheat Board. He is a Saskatchewan grain farmer who had been president of the Saskatchewan Wheat Pool for several years. The performance of the Wheat Board has been steadily improving ever since. Our antiquated quota system was investigated by a government-appointed committee which included the vice-president of the Saskatchewan Wheat Pool, Ted Boden. This report has already resulted in some improvements and others are to be made in the coming year.

A two-price system was begun in March, 1969, which pegged domestic wheat at $1.95.5, while export prices fell nearly 20 cents. The Canada Grain Act, unchanged for 40 years, has been revised—I might say, over the strenuous delaying tactics of the Conservatives—and soon protein grading will be a reality. A Durum payment of 25 cents per bushel was made last spring by special action of the government, which put $6.5 million into the hands of Durum producers which they otherwise would not have received. Incidentally, I believe that my efforts had a great deal to do with the government's decision to provide special funds for the Durum payment.

Over a year ago the government appointed Hon. Otto Lang as minister in charge of the Wheat Board. This was the first time a federal minister had been given exclusive responsibility for the grain industry. He started an aggressive campaign to sell wheat and feed grain, and sales are going steadily upward. He persuaded the government to budget $100 million for a wheat acreage reduction plan, called Lift. In spite of its shortcomings, this plan succeeded in cutting wheat production in half in 1970 and is putting $60 or $70 million of new money into our Prairie grain economy.

A former government appointed a task force on agriculture. This government has convened two Canadian congresses of agriculture to discuss their report, one in March, 1969, and another in November, 1970. Never before had we had a national meeting of all segments of agriculture to look at farm problems and consider possible solutions to them. The government has been paying increasingly larger sums to the Wheat Board for wheat storage. This accounted for most of the 12 cent final payment we received in the spring of 1969. Last year there was a deficit in the Wheat Board accounts, which required the government to put up $58 million to support the initial prices on wheat, oats and barley for the crop year 1968-69 and to allow that extraordinary 25 cents payment on 1968-69 Durum Wheat.

The minister in charge of the Wheat Board has stated that he will announce the initial prices for 1971-72 before March 1, 1971, and will at the same time indicate expected quota levels for the following crop year. He has already given preliminary recommendations for seeding next spring. These call for a 65 per cent increase in wheat, a 60 per cent increase in barley, a 50 per cent cut in flax, a cut of 35 per cent in summerfallow, an increase of 10 per cent in grass and not much change in other crops such as rapeseed and oats. The $10 an acre incentive to plant forage, spread over two years—which was a new program in 1970—will be continued for perhaps another two or three years. It was tied to wheat acreage reduction in 1970 but will not be so related in 1971.

The government has steadily increased Canada's food aid program. This year it is buying about $100 million worth of our grain for this purpose and is now one of the Wheat Board's best customers. The minister has two very important studies under way at present, one on the marketing methods used by the Wheat Board and the other on ways in which our grain handling and transportation systems can be made more efficient and less costly. Both of these hold great promise for a brighter future for our grain industry.

• (8:20 p.m.)

Time does not permit me to describe the many other programs which benefit grain farmers and which the government has maintained or expanded. There is the Farm Credit Corporation, the Farm Improvement Loans Act, accelerated depreciation on grain storage, removal of excise tax on manufactured grain bins, crop insurance, PFAA, PFRA, feed grain freight assistance, and so on. There is absolutely no question that the federal government is concerned about Prairie grain problems and has been taking meaningful action to provide assistance.

The government and Parliament have budgeted funds for a farm adjustment program. I hope this program will be announced soon and that it will make it possible for low-income farmers to get the assistance they need to attain viable units. Consideration should be given to better credit arrangements so that young, would-be farmers can get themselves established on an economic basis. Older low-income farmers should be assisted so that they can continue to live on their farms with security and a reasonable standard of living.

I again take this opportunity to impress upon the government the case for a much more satisfactory and equitable two-price system for wheat. Another cent or two on a loaf of bread added to the price the consumer pays would add $1 or more per bushel to the price of wheat obtained by farmers. This would be only modest compensation from our high-priced domestic economy to assist grain farmers, most of whose products are sold on world markets in competition with heavily subsidized grain producers in other countries.

Before I conclude, Mr. Speaker, I would like to return briefly to the grain income stabilization proposal. I want to emphasize that this is not the cure-all for all our grain problems. Most of the current programs such as crop insurance, PFAA, interest free cash advances, international food aid, and so on, will be continued. The stabilization plan is not an insurance plan, a guaranteed income plan or a deficiency program. It is purely a stabilization

plan which will help every individual farmer in years when grain income is down, and it will have a great stabilizing effect on our small rural communities and on the industries that serve grain farmers.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member may continue if there is unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Douglas (Assiniboia): Mr. Speaker, shortly before the six o'clock recess I yielded to the hon. member for Fraser Valley West (Mr. Rose). I am glad I did so, not only because it gave him an opportunity to go home and nurse his cold but because it gives me an opportunity to reply to something he said. He referred to the old Socialist doctrine that is being revived again by a prominent group in the NDP, which maintains that the state should own all the land and that farmers should be only tenants. Let me tell you that farmers did not settle on the Prairies to become sharecroppers for the state. The old CCF party in Saskatchewan spent many years in the wilderness and it was not until they disowned the doctrine of state ownership of the land that they managed to gain power. This resurgence of the radical left wing Socialists who stridently advocate state ownership of almost everything, including farm land, is all that is needed to ensure the demise of the NDP in rural Canada.

I am confident, Mr. Speaker, based on the enthusiastic reception accorded the Prime Minister (Mr. Trudeau) and the cabinet in Saskatchewan on February 12 and 13, that the Liberal party is well on the way to regaining its rightful position as the dominant party in rural Canada. I am confident that the majority of Canadians support the government in its efforts to be fair to people in all parts of this great nation, which will remain united under the progressive and flexible leadership of our outstanding Prime Minister. Therefore, I cannot support this motion.

Mr. Deputy Speaker: The hon. member for St. John's East (Mr. McGrath).

Mr. Benjamin: On a point of order, may I ask Your Honour if there is not a rule of the House of which the hon. member who just finished needs to be reminded? This is the sixth or seventh occasion on which he has treated us to a recitation read at violent speed, and I think there is a rule of the House which prohibits the reading of speeches.

Mr. Deputy Speaker: The hon. member has referred to a practice of the House, and it seems to the Chair that sometimes it is honoured in the breach. In any event, at this point the hon. member has concluded his remarks and so I will recognize the hon. member for St. John's East.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I regret that this motion will not come to a vote. It will not come to a vote because of what I consider to be one of the major inadequacies of the new rules of the House, and I hope that those rules will be reviewed before this House becomes nothing but a mere rubber-stamp for the government. And, Mr. Speaker, there is a great danger of that, especially as you look around this empty chamber tonight at a time when this country is in the midst of the highest unemployment it has experienced in many years.

Mr. Gray: What about the empty opposition benches?

Mr. McGrath: I make no distinction. I refer to empty benches all over the House. But the government has special responsibility and it is not discharging that responsibility. Its members should at least come into the House and listen to the legitimate representations of the members of the House who are daily subjected to the cries and the appeals of the unemployed and the disadvantaged. The hon. member for Assiniboia (Mr. Douglas) can relax. He will not have to wrestle with his conscience because he will not have to vote for or against the motion.

In examining the serious, critical problem of unemployment, particularly as it relates to the disadvantaged people of this country, we must examine it in the context of the Minister of Regional Economic Expansion (Mr. Marchand) and the charge placed upon him by Parliament when at the beginning of this Parliament it enacted legislation setting up his new department. Parliament gave him special powers to create new jobs. He was given broad and sweeping powers and it was generally conceded that they were needed if he was to succeed in bringing regional disparity and its consequences to an end. But today we find ourselves in the midst of critically high unemployment, once again examining the functions of the minister and his department to see if they have been discharged properly. There is very little we can go on.

Certainly we cannot get much enlightenment from the minister's speeches. When the Minister of Regional Economic Expansion does make a non-partisan speech outside Quebec—and that is very rare—he very rarely says anything worth while. Last Friday during the government's crusade to western Canada the minister made one of his rare non-partisan speeches. I found it difficult to read anything into what he said because in actual fact he said nothing. He said nothing to enlighten us on how he is living up to his responsibilities in this period of critical unemployment. The only thing I could find in his speech worthy of quoting was the following, and I quote from his speech on February 12 at Meadow Lake, Saskatchewan:

> While we are working largely with economic tools, our basic concern is with improving the lot of people. In the last analysis, our success or failure will be measured by the extent to which we have helped the disadvantaged gain fuller access to the benefits of our Canadian society.

• (8:30 p.m.)

Mr. Speaker, that is a very noble objective. It is an objective with which nobody can quarrel. It is an objective with which everybody will agree. Certainly every

member of this House will agree with that statement. But is the minister doing that? Is the new department doing that? I ask what consolation it is to the 800,000 Canadians who are unemployed to hear that noble and high-sounding phrase from the Minister of Regional Economic Expansion. Hon. members may think that I am exaggerating when I say 800,000 unemployed in this country but I am quoting from a speech the minister made in this House a few days ago in the budget debate. What advantage can the poor people of this country draw from that phrase? I submit they get the same consolation they got from the phrase "just society" which is now, mercifully, forgotten.

Mr. Speaker, the people of this country expect more than high-sounding and noble phrases. They expect action, and the facts indicate that they are not getting it. What is more important, they are not getting it from the Minister of Regional Economic Expansion who has special responsibility in this area. The performance of the minister does not stand up to critical analysis. It is only fair to say that nobody expected miracles. When Parliament set up the new department and gave this minister these new powers, nobody expected him to create jobs overnight.

Everyone agreed that this would be a long-term program because it was a program to end regional disparity—the age old curse of confederation. Everybody agreed, Mr. Speaker, that this could not be done overnight. It was generally conceded by all members of the House that it would take time to restructure lagging economies and to create the type of economic climate in disadvantaged regions of the country that would provide the necessary jobs for the people to give them those advantages to which the minister alluded in his speech in Saskatchewan a few days ago—to give them, to use the words of the minister, "fuller access to the benefits of our Canadian society."

We were prepared to wait, Mr. Speaker. We figured that perhaps it would take ten or fifteen years. We did not expect the economic situation in the Atlantic provinces to be cured overnight. We did not expect the economic situation in northern Ontario or in parts of the west and northwest to be cured overnight. We felt that it would be a long-term program. But something happened. In the middle of this program there was an election in Quebec and a new government came into power. It came into power on the promise of creating 100,000 new jobs.

Mr. Woolliams: What nonsense!

Mr. McGrath: That was the promise made by that government, and now it finds itself having to fulfil an election promise to create 100,000 new jobs. That changed things, because the Minister of Regional Economic Expansion, whilst he has this responsibility in the government of Canada also has special responsibilities in the government, both political and constitutional, with respect to the province of Quebec. Because of these factors the federal government felt it had an obligation to the new government of Quebec. It felt it had to move to get them off the political hook as a consequence of that irresponsible political promise.

I do not mean to diminish in any way the seriousness of the unemployment problem in Quebec. It is very serious. The latest DBS figures indicate that the province of Quebec has 234,000 people unemployed. That is more than twice as many as the new jobs they were promised by their government. The federal government then felt that it had to move in, and nobody quarrels with that. My quarrel is with the way in which they moved. They changed the whole philosophy of this long-term program to end regional disparity; it was a long-term, growth-oriented philosophy. They changed it by amending the Regional Development Incentives Act and they brought these amendments in just before the Christmas recess. They amended this particular statute, which is the cornerstone of the government's regional development policies, by declaring the city of Montreal a regionally disadvantaged area. That was the consequence of what they did.

They amended the act and designated the city of Montreal in the same terms as St. John's, Newfoundland, Halifax, Saint John, New Brunswick, or some of the more disadvantaged areas of the country. They changed the whole philosophy from a long-term regional development philosophy to a short-term program to cope with the situation of its own creation. Unemployment in Canada's largest city was created as a consequence of the government's monetary and fiscal policies to fight inflation. In doing so they destroyed the whole philosophy of regional development in this country. They did this by declaring the largest city in Canada, Montreal, a regionally disadvantaged area. At the committee stage we had an opportunity to examine the government and we heard evidence during the course of the amendments to that act. One of Canada's foremost experts on regional development, Professor Brewis, stated:

> The proportion of the population falling within designated regions of one sort or another will be increased from one third to one half. As a result the efficacy of the legislation to aid the formerly designated areas will be diluted. How far it will be diluted is open to question but there is no question that some of the formerly designated areas are going to be relatively worse off.

We are going to be worse off because the government changed a long-term regional development policy into a short-term policy to fulfil a political obligation in the province of Quebec. But, Mr. Speaker, we have to bear the consequences of that action. The Prime Minister (Mr. Trudeau) had something to say about this. Indeed, it seems that every time the subject of unemployment is raised in the speeches of the Prime Minister or any of the ministers they point to the Department of Regional Economic Expansion: it is the government's panacea to cure unemployment and the problems facing the country as a consequence.

Mr. Woolliams: Only nine members in the House.

Mr. McGrath: We face empty government benches every day in this House. The most we can hope for is ten ministers, but they had 18 in Saskatchewan. During the course of a speech in Saskatchewan when referring to

the government's policy to combat unemployment, the Prime Minister said:

1. Creating new jobs in those regions of the country and in those industries hardest hit by slowdowns, and
2. Providing additional assistance to those individual Canadians facing the greatest hardship.

Mr. Speaker, I submit the government has failed in both objectives. If time permits I shall show where they failed in objective No. 1. In the second area they have failed by refusing to give the provinces a better deal under the Canada Assistance Plan to cope with the extraordinarily high welfare payments which the provinces have to pay as a result of the government-inspired high unemployment.

They have failed in the first instance, as indicated by the most recent figures showing the performance of the Regional Development Incentives Act up to November 30, 1970. They show conclusively that the program does not create jobs in the disadvantaged areas; that it creates jobs in the areas of highest employment and lowest unemployment. For example, the number of jobs created per application in the province of Newfoundland was three; the number created per application in Prince Edward Island was 26; the number created in Nova Scotia was 20; the number created in New Brunswick was 19; the number of jobs per application in Quebec was 60 and the number per application in Ontario was 77. That province has the lowest unemployment and highest employment. In that province were created the greatest number of jobs per application under this program. And so it goes across the country.

• (8:40 p.m.)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I do so to say that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Does the House agree unanimously to allow the hon. member to continue?

Mr. Knowles (Winnipeg North Centre): For one minute.

Mr. McGrath: Mr. Speaker, I will not take advantage of the indulgence of the House. I merely want to conclude that part of my remarks which refers to the Prime Minister's statement about the success of the government's regional development policies in creating new jobs. My point was that the number of new jobs per application was highest in the provinces with low unemployment and lowest in the provinces with the highest unemployment.

I think the statistics I have placed on record, beginning with those for Newfoundland, the province with the highest unemployment in the country and with the lowest number of jobs per application, and ending with Ontario which has the lowest unemployment in the country and the highest number of jobs per application, show the failure of the government's regional development program. I shall place other statistics on the record during a future debate which will show the futility and utter failure of the government's regional development policies in coping with the very serious problem of unemployment in this country. More particularly, they will show the failure of the government's regional development policy in fulfilling the obligation placed upon it by Parliament; the obligation of creating an economic climate in the regionally disadvantaged areas of the country which will make it possible for the people of those areas to find suitable employment.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, my remarks will not exceed the time allowed members for the present debate.

Since today is an allotted day set aside for the opposition, it is quite normal that more opposition members than government members are present. The simple reason for that is that they want to air their grievances against the government.

To criticize is easy, and I find it rather strange that opposition members should do today what they have always done, that is to base their criticism on non valid and unfounded arguments. It is always easy to criticize when one is a member of the opposition, because one always dreams of being one day on this side of the House.

I recall, Mr. Speaker, a sentence written by Jean Rostand which I quoted last Friday: One may say that science has made men out of us without first having made us people worthy of the quality of human beings. I could say of the hon. members of the opposition that politics has made gods of them before giving them the quality of true politicians. That may be why they have not been listened to very attentively by the government and why their criticism, which could often be constructive, most frequently shows hatred and lack of responsibility.

The Minister of National Health and Welfare (Mr. Munro) tabled in the House not long ago a white paper on social security which I could qualify as a masterpiece. The matter was under consideration for several years and was well established. In view of the available tax revenues, it was the best policy which the federal government could carry out, in order to help underprivileged citizens. He accepted the principle of redistribution and selectivity rather than that of universality. It is a principle which is all to his credit and this without burdening further the budget of our fellow citizens.

Those various programmes will inject almost half a billion dollars into the economy in favour of the underprivileged. It is an extremely satisfying initiative which will certainly enable a great number of people to have a more decent living than at the present time.

This principle was studied, worked on and analysed by several experts who finally opted for selectivity rather than universality. It is simple: 70 per cent of Canadians draw a salary of less than $10,000 per year. Obviously, we had to redistribute the money in a better way, so as to increase their standard of living and to pull these

people out of the misery into which they had been for some years.

It must also be said that the principle of selectivity was chosen over that of universality because 20 per cent of the people earn only $4,500 per year or less, and that 640,000 Canadian families, out of 3 million, include children under 16. This means paying allowances to 1,560,000 recipients who will profit, up to a certain point, by family allowances, which means 50 per cent of the 3,000,000 Canadian families.

Needless to say that this is a very fortunate redistribution and a formula for the 70s that no government could object to.

• (8:50 p.m.)

Mr. Speaker, the government is often accused of sins it has not committed but which could well have been committed by the provinces mainly as regards social security which is constitutionally under their jurisdiction.

But had it not been for the federal government, I wonder what our social security programs would be today. It is always the federal government because of its concern about our citizens which initiated these programs.

And today I wonder, mainly as regards social assistance for which the government gives the provinces 50 per cent of what they have to pay to recipients, if fewer sins would be laid at our door if the administration of social security were assured by the federal government rather than by the provinces.

There is no need for figures. It is enough to take a walk through Ottawa and Hull to find that the people on welfare do not even know that the federal government is paying 50 per cent of the money they are getting, and that poor management by certain provinces is to blame for the fact that people on welfare cannot live decently.

During federal-provincial conferences, it has been suggested that these responsibilities should be given back to the provinces. Perhaps this is true but we should be careful and see to it that the provincial programs have the same objectives as the federal programs.

The federal programs generally follow the individuals wherever they go. Everyone knows what provincial programs are. For instance, as regards health insurance plans in force in the provinces, if a recipient leaves his province for three months, he is covered for three months by the other province, but after three months, he must pay taxes. Should he become ill and have nobody to care for him, no hospital will be able to look after him. He will receive extraordinarily high bills, because he will not be covered any more.

Federal programs keep up with the individual while provincial programs expire at the end of the period of time set by each province.

It is true that the lot of the underprivileged in Canada is an unfortunate one and that we should do more for them, but it is wrong to say that we should give $150 to everyone 65 and over. It would merely be a piecemeal solution.

Mention was also made of a guaranteed annual income. That would probably be the ideal solution but the society in which we live is not an ideal one, far from it. One has but to listen to the opposition members to know that we are far from an ideal society.

Such piecemeal solutions may make headlines in newspapers but are absolutely worthless in practice, for the Canadian citizens will be the ones to be taxed again, in order to refill the treasury and to redistribute that money to the ones who need it. But the levying of taxes must stop somewhere. Now with its intelligent policy, the government meant to provide better redistribution of tax revenue.

I do not think that quibbling and insults will help us to to do anything. I always thought that a frank and open discussion could bring tangible results, not tales like Dr. Jekyll and Mr. Hyde. I cannot see what good it does to tell people in high government places that they have failed to keep their promises and to accuse them also of a host of other misdeeds.

Be it understood that on this earth, no man is perfect, and even less any government, since it is comprised of men. However, one cannot say that governments deliberately fail to do their duty. They do their best with the means available to them. I need not look long for examples. Not so long ago, we had a non-Liberal government, with a sweeping majority in the House, and it was defeated four or five years later. How can this be explained? Were there too many bright people together? Did high voltage cause the instrument panel to explode? It is probably so.

In their pride, did the members all cover the same post? Perhaps. Anyway, there are no perfect men: there are only ambitious men, especially in politics. In fact, it would seem that everybody here is born a prime minister.

I believe that our Prime Minister is extremely clever and gifted. I do not speak those words to praise him; the truth is that everybody, including the press, throughout Canada says so. He does his best, but he is human and so are the members of his cabinet. The federal government is the best government organization in all Canada.

My hon. friends might say that politics has become a career. In politics, you cannot make a career, you cannot become a politician, you can only play petty politics and you can do it by resorting to arguments you heard from the other side of the House.

You become a petty politician because you have the ambition to make politics your profession. They are sincere politicians, but not unlike seasons, they fade away. Whoever makes politics his profession loses his credibility with Canadians. Those who have been here for too long are not listening to their constituents any more. They have become the professionals of politics. They talk about all sorts of things, about Viet Nam or some other remote country, all things which, even though they should get some degree of attention in the House, are none of its everyday concern.

We know that we have an unemployment problem on our back. In March of 1970, there were approximately

570,000 unemployed. This year, this number has grown considerably. However, unemployment is not Canada's own problem, it affects other countries, too. Why? Because modern technology is and has been moving forward.

The problem lies in the educational system. We set up schools of sociology and other somewhat "variable" sciences. We establish new departments with an enrolment of as many as 10,000 students when only 400 jobs or so a year are provided. This is how unemployment springs up by itself.

It is none of the federal government's business to go and tell the provinces what they should be doing. They are supposed to know their way around. They have become unemployment mills and I think that we should concern ourselves with this situation, even though it is not of our jurisdiction, because we are providing the funds. As a matter of fact, it would seem we are encouraging unemployment.

Mr. Speaker: Order. I sincerely regret to interrupt the Parliamentary Secretary, but his time has expired.

[*English*]

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have no difficulty in rising to support this motion which reads as follows:

> That this House condemns the government's lack of leadership which has humiliated the disadvantaged, dislocated the finances of provinces and municipalities, and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies.

A few minutes ago the hon. member for Assiniboia (Mr. Douglas) objected to a suggestion made by the hon. member for Fraser Valley West (Mr. Rose) that all farm lands should be socialized, or something to that effect.

An hon. Member: He didn't say that.

Mr. Korchinski: I did not hear what the hon. member said; the objection was raised by the hon. member for Assiniboia. My point is, why is he raising this objection now? By the time the Minister of Finance (Mr. Benson) is finished with us through his proposed estate taxes in the white paper on taxation, the government will own them anyway. Despite all the protests he made in reading his speech, which was well prepared and documented—

An hon. Member: Are you not reading now?

Mr. Korchinski: —the Premier of Saskatchewan was interviewed over television last Sunday on the program "Question Period" and he protested that his province was not receiving proper attention with regard to the unemployment situation. He felt that the federal government was not giving Saskatchewan all that was necessary to keep the residents of the province happy.

• (9:00 p.m.)

An hon. Member: That is not what he said on Saturday night.

Mr. Korchinski: I don't know what he said on Saturday night, but I saw him on television on Sunday. I rise because last Thursday the minister responsible for the Wheat Board stated in the House that despite all the efforts made at Geneva, the International Grains Arrangement had not reached a successful conclusion. I quote some of his comments:

> We wished to include price levels which would reflect adequate returns to efficient wheat producers... While it is a matter of serious regret that an agreement including pricing provisions could not be concluded we are not unduly discouraged or pessimistic over the lack of such an agreement at this time.

Perhaps the minister is not discouraged or pessimistic, but I think a lot of the farmers are discouraged or pessimistic because of the position in which they have been placed. Most farmers are familiar with the old International Wheat Agreement which served them well over the years. At least they knew there would be a basis for price stability and that anything outside the agreement would be sold as a result of other arrangements. However, because the negotiations in which this government took part covered many other commodities beside grain there was a breakdown of the International Grains Arrangement. I wish to quote from the *Star-Phoenix* of January 16, 1971, as follows:

> Critics have suggested that the 1968-71 International Grains Arrangement, with its dazzling pledges of big price increases, sagged partly because negotiations were linked with huge tariff bargaining on industrial goods. The strength of the wheat agreement was reduced in exchange for industrial tariff concessions.

This underlines the fact that various concessions were given. I understand that the chemical industry was well treated as a result of this arrangement. The Minister of Industry, Trade and Commerce (Mr. Pepin) was hopeful that Britain's entry into the European Common Market would not hurt us generally, although he admitted it might do so as far as agricultural products are concerned. Other factors would compensate for the loss suffered by agriculture. Having made that blunder before, I wonder whether they tried to get out of the agreement with the suggestion that the western farmer was not looked after during the negotiations. Hardly was the ink dry when prices began to slump. As a result of this slump, the last several years have been years of near-disaster for wheat producers. In fact, they have been years of disaster for many. Many farmers have pulled out of the business.

In the few minutes left to me I wish to place one or two suggestions before the House. I am disappointed that no agreement was reached at Geneva. I am disappointed because after the old agreement expired, prices dropped from around $2.12 to $1.70. That is a drop of around 40 cents a bushel, a serious blow to grain producers. Since the government was not successful in negotiating an agreement I think that in line with the minister's policy of maintaining a fair price the government has an obligation to introduce a reasonable two-price system—not $1.95, the minimum under the old agreement, but a realistic figure.

An arrangement of this kind is an accomplished fact in the United States where wheat producers are assured of $2.85 a bushel for domestically-produced wheat. Similar assistance is an accomplished fact in the ECM and in

Australia. This is what we have to face, and it is no longer reasonable to expect that the Canadian wheat farmer should be left high and dry without any kind of government intervention. A Canadian can buy a one-pound loaf of bread which it takes him four minutes to earn. It takes an American six minutes to earn the cash for the same sized loaf, a Frenchman 11 minutes, a Russian 12 minutes and a Japanese 27 minutes. This is an example of the take-home pay of Canadians generally—those who are employed. Is it not reasonable to expect that the Canadian farmer should have a corresponding return at least for wheat consumed in Canada?

The hon. member for Assiniboia paid special attention to the grain production and receipts policy. I should like to place before the House a table which I have prepared on the basis of an answer to a question on the Order Paper; I believe it was question No. 606. I shall read the table. I took the receipts from 1956 to 1969. I chose the year 1956 because that is the year in which the Temporary Wheat Reserves Act was passed. From then on, payments were made under the act. The figures are as follows:

WHEAT RECEIPTS 1951-1969
Million Dollars

Year	Receipts	Previous 5-Year Average	Comparison of Previous 5 Year Ave. to Receipts	
			Deficit	Surplus
1956	452	448		4
1957	367	458	91	
1958	420	417		3
1959	423	374		49
1960	427	397		30
1961	467	418		49
1962	510	420		90
1963	578	450		128
1964	715	481		234
1965	642	539		103
1966	784	562		222
1967	742	646		96
1968	582	692	110	
1969	459	693	234	
TOTAL	7,568		(a) 435	1,008

Total deductions as proposed (3% of receipts—(b)	227
Grant required (a—b)	208
Payments under temporary wheat reserves Act (1956-69)	584
Payments under stabilization plan	208
Loss of income to farmers in same period	376

The point is that only in 1957 was there a lower realized income from wheat than the previous five-year average. The next year was 1968-69. In all other years there was a higher income derived than the previous five year average. Under this stabilization program the government will not contribute anything. As a matter of fact, in 14 years they would have contributed for only three years. In 1957, the deficit was $91 million, in 1968 it was $110 million and in 1969 it was $224 million.

• (9:10 p.m.)

During those years 1956-1969 the total contribution to the farmers would have been $435 million under the stabilization program. With the 3 per cent deduction, $227 million would have been taken from the farmers. In other words, the only contribution that the federal government would have made would have been $208 million. During the same period, payments under the Temporary Wheat Reserves Act were $584 million. With payments under the stabilization plan of $208 million, there would have been a loss of income to the farmers of $376 million. This is the plan that the minister has told the Canadian farmers is going to be the answer to their woes. I should like to quote from an article written in the *Globe and Mail* of June 3, 1968, by Anthony Westell:

> A self-sustaining program to maintain farm incomes during bad years, without cost to the taxpayer, and a new idea on how to aid small farmers without perpetuating uneconomic operations were features of a major statement on agricultural policy issued last night by Prime Minister Pierre Trudeau.

The article goes on to say:

> Liberal party aides said the plan would probably be on the insurance principles with farmers contributing in good years and drawing income in bad years. They said the only cost to the government and the taxpayer would be in loans that might be needed to get the program started.

Up until 1968 this fund would have had a surplus of $12 million. In 1967, $91 million would have been paid out, and $110 million would have been paid out in 1968. However, total deductions up until that time would have been $213 million. In other words, the federal government would have contributed nothing. How can any farmer accept such a proposal as this? There are many other disadvantages to it. For example, the initial payment is not a guarantee. Any money put into the fund in the future to replenish it would be from future sales. The proposals should be a supplementation, not a substitute. I think that if the federal government has not the nerve to ask the consumers of Canada to pay an extra $1 a bushel, then it should contribute from its own fund an amount equivalent to 50 million bushels. If the government has not the nerve to ask the Canadian consumer to pay a couple of cents more for a loaf of bread, then it is obligated to make up the difference.

Mr. Speaker: Order. I regret I have to interrupt the hon. member whose time has expired.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I support the motion moved by the official opposition. One part of the motion particularly attracts my attention. It is the part that reads "and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies". In my opinion the policies followed by this government and its predecessors ever since the end of the Second World War have coldly, calculatedly and deliberately been designed to eliminate hundreds of thousands of farm families, with the result that hundreds of prairie or rural communities of 500 to 5,000 population

have become ghost towns and cities only slightly larger than that are dying on their feet.

The farmers of rural Canada have continually been told to rationalize, to be efficient and to diversify. There is not another industry that has become more efficient since the Second World War than the agricultural industry. The only one that comes even close to agriculture is the steel industry, though they lag some way behind even at that. So talk about farmers becoming more efficient is just talk.

So-called ex-agricultural experts and government spokesmen of whatever political stripe have been talking this way for the last 20 years. When they talk about efficiency, let me tell them that rural Canada has "efficiencied" itself to death. Not one other industry has kept pace with technological advances as has agriculture. Not one other industry has listened so closely to what experts have said about diversification. Agriculture has been through that mill more than once.

When the farmers were told to specialize, they specialized. When they specialized a little too well they were told to diversify. When they diversified too well they were told to specialize again. The farmers have been round and round the same circle several times since the Second World War. In 1946 there were 740,000 farm units in Canada. We are now down to 400,000. The proposals that the government are now putting forward mean that another 100,000 to 150,000 farmers have to go; they are given no choice. As a consequence, the felonies that we continue to perpetrate on the citizens of Canada are being compounded.

The minister in charge of the Wheat Board has presented proposals that I believe are designed to accomplish two things. First of all they are designed to reduce government involvement in agriculture. In other words, they are designed to save the government money, and the effect of these proposals will do exactly that. I submit that any amount that the government puts into the stabilization fund—if it puts any in at all—will amount to less than it would otherwise have had to pay under the Temporary Wheat Reserves Act.

The second purpose of the proposals is to eliminate small farms. This is more of the so-called rationalization of the agricultural industry. The proposals of the minister in charge of the Wheat Board take no account of farm costs or farm net income. It is a good, businesslike proposition in the sense that it evens out cash flow, but if the cash flow, be it even or uneven, is insufficient to allow farmers to survive, then the stabilization fund is not worth the paper it is written on. The minister's proposals fly in the face of any sensible, reasonable or civilized approach to the establishment of a stabilization fund. I submit they pervert the whole principle of a stabilization fund. Certainly they fly in the face of any concept of a guaranteed income or any concept that would stabilize not only farm income but rural communities in Canada.

Abolition of the Temporary Wheat Reserves Act means that the minister's proposal will cost the government nothing. The government is supporting the uranium industry to the tune of $120 million. I do not oppose this; it means the preservation of the livelihoods of a lot of workers in many towns and communities. But if the preservation of this industry is valid and logical, surely it is equally or more valid and logical that the same thing be done for agriculture and that the whole nation share the cost of storing a reasonable amount of all six of the grains.

An hon. Member: But how much?

Mr. Benjamin: Any figure you like to mention. I suggest 100 million or 50 million bushels of each grain. All that is required is for the government to accept the concept of a national granary that will be supported by the nation as a whole. This would provide for a minimal amount of grain storage, if for no other reason than to fulfil sales commitments.

Earlier this evening the hon. member for Assiniboia (Mr. Douglas) stated he believes that the stabilization plan is a good one and will be accepted by the farmers. I do not know what kind of farmers the hon. member has been talking to or from which country they come, but certainly I have not found any farmers in Canada who agree it is a good plan. Just prior to the supper recess members of our group met with a delegation from the Canadian Federation of Agriculture. Members opposite are also meeting with the same group at this moment. If Liberals can read—though I sometimes wonder—I do not know how the hon. member for Assiniboia is able to say that the stabilization plan is a good one. Let me put on *Hansard* what the Canadian Federation of Agriculture has to say about it:

> But we must on this occasion stress as strongly as we can that the government grains receipts and stabilization proposals—which clearly will be on all our minds as we meet here today—do not represent an adequate undertaking by the federal government to assist and protect the position of prairie grain producers.

• (9:20 p.m.)

Surely, Mr. Speaker, nothing could be plainer than that. For the hon. member for Assiniboia to suggest that the plan is good and accepted by farmers is blatant nonsense which I cannot accept. Perhaps the only people who would accept it would be those who served coffee last weekend at meetings of the Regina Lake Centre-Assiniboia Liberal Associations. That is the only exception. No farm group supports or agree with the agricultural stabilization plan which the minister in charge of the Wheat Board proposes.

The hon. member for Assiniboia believes the minister in charge of the Wheat Board has been given exclusive responsibility for the Wheat Board. Boloney! He is the minister in charge of manpower and immigration. What is the Department of Manpower and Immigration for—laughs? When one looks at the unemployment rate, it is good for laughs and that is about all. It is also good for tears. But all the government's activities and programs in respect of grain in western Canada have been treated as nothing more than a sideline job by this government. The Minister of Industry, Trade and Commerce (Mr. Pepin) had the job for a few months. He did not know one end

of a boxcar from another, and it was taken away from him. I am sure it was offered to the Minister of Agriculture (Mr. Olson) but he would not touch it with a 10-foot pole because he wanted to stay elected. He neither wants nor needs the Canadian Wheat Board under his jurisdiction. In fact, he needs it like a hole in the head. The hon. member for Saskatoon-Humboldt (Mr. Lang) got the job, but he is the minister in charge of manpower and immigration and the Canadian Wheat Board is still treated as a sideline. That is all it has been in the eyes of this government every since it was elected. The hon. member for Assiniboia believes that if farmers were assured of markets they would grow grain. That was a brilliant statement, but he forgot to tell us about the International Grains Arrangement negotiations which collapsed last week. The government of Canada refused to place its power behind the farmers of Canada and consistently has refused to do so since the days of the International Wheat Agreement and since the first International Grains Arrangement was agreed to. No other country in the world apart from Canada refuses to support and back up their grain producers—no other government except the government of Canada be it Liberal or Tory.

Mr. Speaker, the negotiators on behalf of Canada at the International Grains Arrangement talks at Geneva were betrayed by their own government. Their own government refused to put behind the negotiators the strength and wealth of this nation. If some of our competitors in the grains industry wish to play unfair pool, Canada has some cards to play—but Canada refuses to play them. Farmers, in this instance grain farmers, have been betrayed again. The proposals the minister has placed before us now and the policies followed by the government have perpetrated what has been going on in Canada for 25 years.

I am not trying to be sentimental about this. The quarter section and half section farms in my riding are very efficient and some have survived better than have some of the one or two section farms, but the elimination of tens of thousands of family farms and farm families, whichever way you wish to put it, has forced thousands of people into the cities of Canada and has cost our nation much more than it would have cost to permit these people to operate a farm which would be economical and viable and make it possible for them to maintain a decent standard of living.

No one has ever counted the cost on the other side of the coin. All the major cities of Canada, if not another soul moved into them, would need ten years to catch up with the problems they have now in respect of urban pollution, housing, education and everything else. Yet we keep forcing more people into these cities. We can think of the towns and villages in rural Canada which have streets, sidewalks, water systems, electrification systems, curling rinks, community halls, and so on, and yet this government asks these people to walk away from them. This is how the government is dividing us. The proposals which are put forward are not worth the paper they are written on. I believe the motion is a perfectly valid one which deserves the support of members on all sides of this House who come from rural Canada.

[Mr. Benjamin.]

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to speak on this opposition motion because it is about the economy, unemployment, the exodus from rural regions of Canada, and the problems involved. That is very close to me because I represent a completely rural riding.

I listened to some of the speeches delivered today; more particularly, I listened attentively to the hon. members of the opposition, and I expected to find good ideas, ideas that would help solve the problems. But as always, there was nothing too stirring in their remarks, whether they were about the economy or regional development.

The hon. member for Moose Jaw (Mr. Skoberg) does not have to worry, because I have a little more respect for the backbenchers of the New Democratic Party and the Ralliement Créditiste than I do for the members of the official opposition. At least, what they say, they say it with conviction, whereas there is confusion amongst the members of the official opposition, unless they deliberately want to mislead the Canadian people.

Indeed, the opposition objects to every budget intended to bring unemployment to heel, to nurse back to health the economy. They constantly preach that the present economic unrest is solely due to the government, that it is alone responsible for it and that it is to blame for regional disparities.

Yet it is very clear—and any economist will agree on that score—that what normally follows a period of steady growth, in any country whose economic system resembles ours, is a period of inflation and slower economic growth, rather than a recession. Now when I say that I have a little more respect for NDP members it is because some of them—and Créditistes—advocate a socialist doctrine. They claim they would have a closer control over economic growth from year to year and would curtail unemployment. Yet, the leaders of those parties—I say leaders because now they have one, two or perhaps three—are afraid to talk about socialism, because they want to be re-elected in the next election.

I understand why the NDP leader, his assistant and their financial critic do not want to admit they are socialists; they simply want to garner votes. They know quite well that socialist principles would not be accepted and while I do not agree with them, I respect their views. I respect the view according to which in a socialist system, the economy could be better controlled. However, our country cannot adjust itself to such a system. In any case, those arguments could be raised in another debate.

The official opposition, through the member for St. John's East (Mr. McGrath), tried to blame the government for the depression. He was pleased to note that there were no Cabinet member in the House this evening. Now, if the ministers wasted their time to listen to such statements, the country would be in danger.

Inflation and unemployment do not only exist in Canada. The rate of increase of the national gross prod-

uct in dollars in Canada and in the United States was almost comparable, at least until 1960-1965. Now, our rate is slightly lower than the American one.

We have presently a high unemployment rate as in the United States. This is unfortunate, and I do not want to look complacent about the fact that, in my own riding, the present unemployment rate is probably between 15 and 20 per cent.

As I said, it is unfortunate. I agree with members of the opposition when they say that in human terms, it is terrible, but what can you do? What is the use of crying for years and making long speeches to blame the government for mere political purposes?

I feel that the government has taken steps so as to fight inflation, but that one of the unfortunate results of this action was unemployment. I would like to ask those who do not approve of the policy against inflation, what the unemployment rate would be in Canada today, if nothing had been done to stop inflation. What would be our export prospects for next year? What would the export situation be in Canada today? What would be the foreign investment rate in Canada in this year 1971? I suggest they would be much lower than they are now. In support of my comments, I shall read an article published in Business Week, as quoted in today's *Le Devoir*:

It seems that the economic situation in Canada is better than in the United States.

Maybe this is nothing about which we have reason to brag, but it is nevertheless true. I quote further:

Compared with that of the United States, the Canadian economy is doing well, according to the February 13 edition of Business Week.

The Canadian economy is ready for a new boom in 1971—

That is what counts.

• (9:30 p.m.)

[*English*]

Mr. Benjamin: There is a bunch of friends of the farmers if I ever heard such.

Mr. Breau: I really do not understand the hon. member's remark. I am not talking about farming; I do not know very much about it. I listen with interest to the hon. member when he speaks about the rationalization of the farming industry and the disadvantages it causes in the rural areas, and I sympathize with him.

Mr. Benjamin: How are you going to vote?

Mr. Breau: There is not going to be a vote, and if there were I would vote against this very irresponsible motion moved by the official opposition. I think that the trend of debate we have had for the last month or two from the official opposition, indeed from the three opposition parties, has been pretty irresponsible.

Mr. Woolliams: That is the way you look.

Mr. Breau: Mr. Speaker, when the hon. member for Calgary North (Mr. Woolliams) makes a speech I will listen to him because he really yells, but I cannot hear what he is saying now. I am saying that—

Mr. McGrath: Why don't you save it for your caucus?

Mr. Breau: There is another one of those enlightening remarks. It is just as brilliant as the speech I heard about half an hour ago from the hon. member speaking on regional disparities. The hon. member for St. John's East (Mr. McGrath) was trying to criticize the government's policies on regional development and he did not succeed very well. He was trying to say that regional disparity is very bad in Canada. I agree. There is no way I could disagree, because my area of the country, my province, is a slow-growth region. It is a depressed area, and more particularly my region of the province of New Brunswick. I agree with the hon. member up to that point, but when it comes to solutions—

Mr. McGrath: Go back to your text.

Mr. Breau: The hon. member had a text but I do not have one. You see, the research people in our caucus do not work at preparing speeches and we have to prepare our own.

Some hon. Members: Hear, hear!

Mr. Breau: When it comes to the matter of solutions I suggest to the hon. member for St. John's East that he speak to some people in his caucus who know something about the development of the Maritimes. I suggest that he speak to the hon. member for Carleton-Charlotte (Mr. Flemming) who was a very distinguished Premier of the New Brunswick.

Mr. McGrath: Hear, hear!

Mr. Breau: I am glad the hon. member applauds. I would applaud myself if I were not speaking. It would be kind of funny to applaud when I am speaking. I hope that members of the official opposition notice that the hon. member for Carleton-Charlotte does not take part in these long drawn-out, say-nothing debates, like the hon. member for St. John's East, because he knows that if we have regional disparity in Canada it is not due to the government of the day; it is due to long standing circumstances that began when we joined confederation, when Canada was born. That is when it started. There are a lot of things, a lot of natural, geographical circumstances which contribute to the existence of regional disparity.

I agree with all hon. members from the Maritimes when they talk about the terrible things that are caused by regional disparity. I have lived with this problem; I still live with it; I know what it is. But they only try to distort the issue by blaming the government of the day when everyone knows that at no other time during the history of confederation has so much attention been paid to the Atlantic provinces, has so much been spent on the Atlantic provinces and has so much planning been done for the Atlantic provinces. That is the important thing.

[*Translation*]

Mr. Speaker, as we have succeeded in fighting inflation and restraining price increases, I think that prospects for the Canadian economy in 1971 are good. I regret the

present unemployment rate, particularly because many young people under 25 are out of work.

We live in a certain economic and political context, and it is necessary to find solutions to the problems which arise. As I said earlier, at least the New Democratic Party offers a solution. So do the Créditistes and they strongly believe in theirs. But on the side of the official opposition, the greatest confusion prevails.

Maybe Progressive Conservative members want to mislead the people, or else they have no knowledge of the Canadian or the North American economy.

It is perhaps still federalism to want a free enterprise economic system in the framework of a federalism where the Canadian Parliament would have no control over-all expenses, or where an increase or a fluctuation in expenses by a few billion dollars could make all the difference. They advocate an economic system such as ours and say it is the wrong way to fight inflation.

They claim that unemployment was deliberately created. That is the biggest intellectual mix-up I have ever seen and it calls for explanations.

[*English*]

Mr. Alexander: That isn't confusion; it's a fact.

Mr. Breau: It is intellectual confusion, and that is a real fact. That is what I said. I am glad the hon. member across the way got the translation right.

Mr. Alexander: Six hundred and thirty-eight thousand out of work is a fact.

[*Translation*]

Let them explain to me in an economic context like that of Canada and North America how one can fight inflation without having unemployment.

The Leader of the Official Opposition (M. Stanfield) has made a lot of charges against the government the other day. He charged it of economic incompetence without suggesting anything positive however. Let me explain to me what would be today the economic outlook of Canada if we had not fought inflation! Let him explain to me what would be the unemployment rate today! The members of the Official Opposition will not say, because they know very well that the unemployment rate would be at the very least as high as it is now. They know very well that the economic outlook would not be good and that there would be less investment in Canada. They also know that their arguments are used only to serve their political aims, to justify their position and to try to mislead the electorate.

• (9:40 p.m.)

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish first of all to tell the Minister of Agriculture (Mr. Olson) that when he made his statement on the dairy policy of the government last week, the agriculture committee of which I am a member was touring Western Canada to receive and study submissions by agricultural agencies and the provincial ministers of agriculture.

Consequently, I did not have the opportunity to comment on his statement. I might say today that I appreciate the price improvements. When someone takes an action that has been expected for a long time, we have to be honest about it and it would not be ethical for a member to say that it is a step backwards when it is a step forward. This I admit and appreciate, but it shows that I was right last year and again this week when I said that farmers, particularly industrial milk producers were treated as poor relations.

I made that statement in the House when I introduced the petition from 25,000 industrial milk producers in which they were requesting more justice and an emergency debate on the serious problem of dairy production. That petition was never taken into account and I find it regrettable. If the government House leader never informed the House before the end of the previous session, I disapprove him for I feel this is a blow to democracy.

Nevertheless, I think that we have made a step forward and that the claims contained in the petition from 25,000 industrial milk producers were justified. Therefore we will have to keep on fighting to ensure fairer income for those who are involved in the production of industrial milk and that they receive a fair share of the national income.

I reiterate my request on behalf of the people I represent so that when the new dairy policy for the year starting April 1, 1971 is announced, the Minister of Agriculture will propose a new policy likely to satisfy the legitimate demands of this hard-working class.

On the other hand, by speaking on this motion, I wish to call the attention of the government to the general problems of Canadian society and especially those of my area and also, to suggest some solutions to these thorny problems.

We are sometimes blamed for criticizing and offering no solutions, which is not always correct, far from it. The previous speaker, in his remarks, recognized the merits of my statements, and I appreciate his doing so.

The economic situation in general is deteriorating in Canada. Consequently, instead of moving nearer the coming of the just society, we are getting further from it every day.

The economic situation of a great many farmers is worse than ever. That of a great many workers—especially those who are unemployed—is most difficult, and God knows what a problem it is when a father who needs to work every day to support his wife and children is deprived of a paying job. God knows in which condition, in which anxiety this father is living!

The Minister of Regional Economic Expansion (Mr. Marchand) said recently that there was no reason to get upset about the high level of unemployment as this level was normal. Normal? Yes, if you look at this problem from the point of view of the possibility to produce, while man is displaced more and more by machines. Then, if you produce for the sake of production, you can do it without man's contribution, because machines can do the job. If that is the objective, it is normal. But in the present situation it seems to me abnormal that in order to have access to the goods, to the available pro-

duction, a number of able-bodied people must have participated in that process by their labour and have received a salary which is their purchasing power. If they have not done so, they have to do without.

Hence, taking into account the second consideration, it is then abnormal that there should be more than 600,000 workers deprived of their weekly income. This in turn reduces the purchasing power of several million people and prevents our economic system from fulfilling its purpose which is to ensure each and everyone a decent living or at the least the bare vital minimum.

Yet, every day, at the opening of the sitting in this House, we feel the need to ask God to give us our daily bread. It is readily noticeable that God does respond generously to our prayers. Let us consider for instance the glut of our natural resources, the huge production of all sorts of goods which is made possible and which we have the means to develop still further. But, unfortunately, there is another god that stands between man and his Creator and I mean the god of money that has become the unrivalled master of the Minister of Finance (Mr. Benson) and of his provincial counterparts. He is the father of all the trusts which exploit mankind and prevent our economic system from operating effectively in the area of distribution.

We, Créditistes, are fighting against this kind of dictatorship. We know beforehand that the fight will be tough, but our duty is to fight more fiercely than ever and reduce this god of money to the role of a mere servant of the people, as it should be. We are fighting against the strongest of all trusts, the one which like an octopus whose tentacles worm their way in all directions at the same time, control everything for just one purpose, profit, without regard for the welfare of the people.

• (9:50 p.m.)

We have quite a plentiful farm production but because of the government's economic theory, this production will have to be scaled down to suit demand. The Minister of Agriculture (Mr. Olson) said today that the farmers must adjust to market conditions. And yet it is only to the farmers that the government is using such language. We have a surplus of university graduates and yet the fees they charge are far from decreasing as is the case for certain farm products.

The government had an inquiry made on poverty in Canada. It is now aware that there are poor people in our country and that if they enjoyed the buying power corresponding to their needs, farm product consumption would be quite higher and Bill C-176 on marketing would have more chances of succeeding.

Under the pretense of giving farmers a higher standard of living, the government has decided on the elimination of all small farms. The same applies to the other industries; and under the pretense of efficiency the government wants to eliminate all small concerns. This is dangerous and the first to notice it will certainly be the powerful people in our society. Big fish which feed on small fish have always taken care by instinct not to destroy all the small ones so as to survive. Are men less intelligent than fish? The time has come to guarantee the farmers a fair and reasonable income because the current prices of various products are markedly inadequate and many farmers are about to go bankrupt.

This is the case for hog and broiler producers. I have here a letter dated December 22, 1970 from a Mr. Vézina from St. Justine in the constituency of Bellechasse, which reads:

—the elevator prices of feed grain in Quebec City, at Benguy's, are as follows: barley No. 1 feed: $2.78 per cwt; oats: $2.85 per cwt; wheat $2.78½ per cwt; American golden corn, size 3: $3.24¼ per cwt, and today the price of pork is 23 cents per lb; broilers are at 16 cts per lb and chicken is at 21 cents per lb.

And he goes on like this:

Mr. Lambert, let us compare this with prices for grain last year at the same date, December 22, 1969. Barley No. 1 feed: $2.12½ per cwt—

—now at $2.78—

—oats 1 feed: $2.18 per cwt—

—today at $2.78½, and—

—pork sold for 37 cents per lb—

—last year at the same time while it now sells for 23—

—broilers sold for 29 cents per lb—

—it sells for 16 cents today.

It just cannot work in these conditions.

And he goes on to say:

Here, in my area, we were raising broilers in St. Magloire, in St. Camille and in St. Sabine. The breeders are losing money, the hen houses are empty and the breeders are unable to pay us.

Then, he adds:

It is the same thing with hog producers, most of them have discontinued their operation and owe us money.

And he concludes by saying:

Our region was beginning to develop some breeding specialties with our financing; it is a failure; if grain prices do not go down, our business is bound to go bankrupt. It is regrettable. But I have invested my life's savings—I am 56 years of age—and the federal Farm Loans Corporation refuses to lend money to farmers from the upper sections of the county. I could give you the names of those who have been turned down. What do you say, Mr. Lambert?

What do I say? Well, I said it right from the start: we must give those producers an opportunity to sell their products at a price which would leave them a profit so that they can get their fair share of our national income and live decently.

Therefore, Mr. Speaker, there are also means of coping with the situation, namely by setting up new industries. People sometimes say: It is impossible to set up industries in areas such as eastern Quebec, it would not be feasible. Yet, we have seen some remarkable examples: Bombardier in Valcourt, Vachon in Sainte-Marie, les Industries provinciales in Saint-Damien and many others which were quite successful which shows it is possible to set up industries in some other places than in large centres.

However, if such an industrial development is to be successful, the government must be willing to reform the financial system, so as to enable the Canadian people to buy the production of existing as well as new industries,

otherwise some will go bankrupt as was the case in 1970 As a matter of fact, a newspaper dated January 31 published the following, and I quote:

2,200 CANADIAN FIRMS WENT BANKRUPT IN 1970

Here is the last paragraph:

The survey shows that the majority of bankruptcies were registered in manufacturing and services' firms, especially manufacturers of transport equipment, machinery, leather and glass products.

That happened in Canada in 1970. In order to set up new industries that will not go bankrupt, we must provide them with a market and assist those who are in need: the unemployed, the families, the underprivileged, the poor, so as to provide them with an income, a purchasing power that will enable them to buy at least the necessities of life, to provide for their essential needs.

The previous speaker was saying earlier that the government could not fight inflation and at the same time prevent unemployment from settling among us. However, the Chairman of the Royal Bank of Canada, who is indeed not a friend of mine, stated the following:

THE GOVERNMENT SHOULD REDUCE TAXES!

He said so on January 31, 1971. I am quoting Mr. McLaughlin, the Chairman of the Royal Bank of Canada. I now resume my quotation from a report on what he said:

—considers that should the government reduce taxes not only the taxpayers but also the government itself would benefit.

In his annual report, produced a few days ago, he said, in fact: "The type of inflation we are now fighting was never the result of excessive demand,

He went on to say: that personal and corporate income taxes should be reduced if we wanted economy to bounce again. And he concluded with these words:

It must be said that we were misled concerning inflation; it resulted not from an increase in total demand nor from prosperity prevailing among the great majority of our citizens, but rather from thoughtless increases in prices. Afterwards, prices went down and it was said that inflation declined. In fact, the purchasing power of the low-income people decreased.

This is what I said to the House, last year, during a debate on that matter.

Mr. Speaker, we must do something. We must grant the provinces and municipalities the facilities Canada has provided to some countries in Europe, Africa and Asia. We have loaned $419 million to those countries to help them develop. The loans are refundable over 50 or 60 years and are interest-free. Those countries will refund their loans if they can, later on, when we are no longer there. Anyway, we do help them and the government tells us, and rightly so, that Canada will benefit. Such countries will buy Canadian products which, in return, will provide work for our workers. I agree on that. However, the same results would be achieved if we granted interest-free loans to our provinces suffering from economic stagnation, to our municipalities no longer in a position to borrow or even to get rid of their snow because their budget funds are exhausted. That type of money would help those municipalities to undertake public works, the property of which they would keep. Some people sometimes say: But with your monetary philosophy, you the members of the Ralliement Créditiste, business transactions with foreign countries would no longer be possible. I shall tell you a short anecdote. I need only two minutes—

[*English*]

Mr. Deputy Speaker: Order, please. It being ten o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 58(11) proceedings on the motion are considered to have expired.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I rise on a point of order before we proceed with the adjournment debate. Perhaps the acting House leader can say what the business will be for tomorrow and Wednesday.

Mr. Francis: Mr. Speaker, I understand it is the intention of the government to call Bill C-207, the government organization bill, for consideration by committee of the whole tomorrow. I believe it is the intention to deal with the same item on Wednesday if it is not disposed of tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN BROADCASTING CORPORATION—PROGRAM "SESAME STREET"—CLASSIFICATION OF CONTENT —EDUCATIONAL VALUE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I wish to raise a subject this evening which is causing a great deal of alarm among the majority of Canadian mothers who have children aged anywhere from two to 100. I want to discuss the arbitrary and high-handed way that the government, through the Secretary of State (Mr. Pelletier), is threatening to withdraw from Canada one of the finest educational tools ever devised for the purpose of teaching young children. I am referring to a program which is well known to all members of this House. I am sure some of them who arrive late stay home to watch this program: it is known as "Sesame Street".

• (10:00 p.m.)

The CRTC is planning to remove some of the categories affecting the classification of programs in terms of Canadian content or foreign content. "Sesame Street" has been labelled as neutral content. It may be that this particular program does not contain anything which is obviously Canadian but on the other hand it does not

contain anything which is obviously American, so I think a neutral category is a good place in which to put it.

From an educational point of view the program has been highly successful. When I refer to education I mean education in its wider sense, from learning to count to awareness of social questions. The program is the product of a United States non-commercial television system. It originates in New York. Progressive teaching methods are used and audiences are made up of children from various ethnic groups and socio-economic classes including Puerto Ricans, Italians, American Indians on occasion and, sometimes, children from outside New York. Originally the show was done on an experimental basis but it rapidly proved extremely popular and is now carried across the continent.

I wish to quote from a famous Canadian magazine, *Reader's Digest*. I see the hon. member for Calgary South (Mr. Mahoney) scoffing at the idea that this is a Canadian magazine but I would remind him that the government he supports classified this journal as a Canadian magazine during the postal debate last year.

> There has never been anything like it before—on television or in education. Filled with fun, surprises and excitement it is an experimental show whose bold aim is to use television not only to find new ways of teaching pre-school children numbers and letters but to introduce them entertainingly to a multitude of people, places and things in the world into which they are growing.
>
> "Sesame Street" had its origin four years ago. In 1966, children's programs on commercial television were a swampland of tasteless cartoons filled with mindless violence, and a vapid, low-budget studio shows smothered in commercials. Parents were reacting with disgust.
>
> According to recent psychological findings, children are in their most crucial stage of intellectual development in preschool years—ages three to five. Between birth and age four, according to these studies, half of all growth in human intelligence takes place; another 30 per cent occurs between the ages of four and eight.
>
> Thus, two-thirds of a person's intellectual development occurs before he even begins his formal education. For many children, particularly children of poverty, lack of intellectual stimulus pre-ordains almost certain disaster in school and adult life. By the age of five or six, according to one report, slum children trail so far behind middle-class children that they are already remedial cases.

The program has been devised with the co-operation of a professor of education and development psychology, a board of professional educators, child development experts, psychologists, film-markers, illustrators, television producers, audience researchers and advertisers. All these fine people got their minds together to produce this show. I will read this sentence to show its popularity.

> A recent survey indicated that it was already reaching more than six million children a day.

In view of these facts and the tremendous concern that many mothers are expressing, I would ask the government what action it intends to take. All across the country petitions are being presented with the idea of trying to encourage the government to see the value of such a program and not to be so narrow-minded in its view of nationalism as to classify the program non-Canadian and threaten to remove it from the view of Canadian children.

Proceedings on Adjournment Motion

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am very happy to have the opportunity on behalf of the Secretary of State (Mr. Pelletier) to respond to this question tonight. The issue raised by the hon. member for Athabasca (Mr. Yewchuk) is well known to me personally. Indeed, this program is very highly regarded in my own city. I should remind the hon. member that Parliament in its wisdom has delegated to the CRTC responsibility for carrying out the broadcasting policy that Parliament, not the government, has decided upon. Accordingly, the responsibility in this area lies with the CRTC as constituted by Parliament, not with the government.

With respect to the program, the Canadian Broadcasting Corporation has informed the Secretary of State as follows. Many people think that the CBC and the CRTC are responsible for keeping "Sesame Street" from being televised. Actually, the problem is that it is an American, non-commercial program that is presented five hours a week. Thus, the burden falls on the shoulders of stations who are affiliated with the CBC. A program such as "Sesame Street", because of its non-commercial nature, has not proven lucrative to the smaller affiliates when they carry it. Instead, they are turning to less-educational programs in order to acquire higher revenues.

Due to its high educational value and to the considerable number of requests from the public, the CRTC has authorized the CBC to carry "Sesame Street" for the 1970-71 season. Generally, the CBC is authorized to carry 30 per cent American programming, but in this special case the CRTC has given permission to exceed this 30 per cent limit—providing the excess is due only to the showing of "Sesame Street". As for next season, the CBC is willing to continue televising this program but this matter is presently under study by the CRTC and a final announcement is expected shortly.

GRAIN—LIFT PROGRAM—EXTENSION OF DEADLINE FOR PAYMENTS FOR HAIL DAMAGE

Mr. Cliff Downey (Battle River): Mr. Speaker, I rise to debate the answer given to a question that I asked the minister in charge of the Wheat Board on February 11, regarding the possibility of making payments to farmers who were hailed out after the July 15 deadline. I refer to payments under the Lift program. The question I put to the minister, as reported at page 3281 of *Hansard*, was as follows:

> In view of the fact that payments under the Lift program fall far short of the $140 million allotted to the program, would the minister say whether he is now prepared to adjust the deadline date of July 15, 1970, in respect of payments for hail damage so that farmers who suffered hail damage after that date may now qualify for payment under the program?

The minister replied as follows:

> There is no intention to alter the date on which the land must be in a particular condition to comply with the Lift provisions. Of course, the amount of money available for Lift always depended on the extent to which farmers participated in the program, and participation has been regarded at the rate

of $6 per acre and it will be rewarded at the rate of $10 per acre for forage, using the amount of money for which farmers have applied. The other figure to which the hon. member referred was always hypothetical. It was based on the total possible participation by farmers.

• (10:10 p.m.)

Mr. Speaker, the world "hypothetical" is the one which grabs me because all across the country during the summer when the Lift program had its inception, the minister created the impression to the farmers and the general public that this program would pour some $140 million into the western grain economy. This message immediately spread across the country. I have a number of press clippings here and shall refer to one in particular from the *Leader Post* of March 4, 1970. It states:

Ab Douglas, MP for Assiniboia, received mixed reaction Saturday when he spoke to more than 400 farmers here about the federal government's wheat acreage reduction program.

It continues:

Mr. Douglas said the program could inject up to $140 million into the western economy—

I note the words "up to". I am not saying he said $140 million, but he did indicate to the people of Canada that there would be a considerable amount in excess of $100 million pumped into the economy. Up until last Friday night $56,396,025 was paid out under the Lift program. That is a fairly up to date figure. It is estimated that the final amount will be something like $57 million. Actually there is a possibility that with forage the cost will be another $6 million. However, since it was stated there was forage seed for one one million acres last year, the figure will likely be at the most another $4 million. It is not likely that more than $61 million will be paid out. The Lift program will cost the federal government considerably less than the complete figure unless the cost of administration is much more than we think.

Mr. Speaker, my point is that farmers who were hailed out up to July 15 were paid under the Lift program, as well they should have been. Farmers who were hailed out two days later received nothing. I went to the minister with a list of 14 farmers in the Bashaw area whose crops had been wiped out by a vicious hail storm around July 19 or 20. Their crops were totally destroyed. I have a letter here from a Mr. Entrup, secretary of Unifarm in Alberta. I shall quote the letter in part:

—the executive secretary of Mr. Lang assured us that Mr. Lang had taken immediate action and had stated that he was standing behind his promise made at the meeting in Heisler.

I believe this was on July 17. The letter continues:

Even if letters were received from the appeal tribunal rejecting applications we were assured that cases out of the Viking storm area were going to be reviewed again and this time approved. As we understand an additional seven day's extension were granted after July 15, 1970.

I have a letter here from another source. There were cases of people who were insured and whose premises were inspected. The government covered the cost of inspection. Some, however, were later notified that they were late filers. There was evidence on the record that on September 14 one field, that of Mr. Ed Eisler whom I know, was inspected and on December 22 Mr. Eisler was notified that he was a late filer. Mr. Speaker, I am saying that this government can spend millions of dollars on bilingualism, on pornographic programming by the CBC and on an aircraft carrier which it then junks, but there is not enough flexibility or humanity in their souls to look after a handful of farmers who happen to be hailed out a few days after the deadline for the Lift program.

I suggest that if they paid each farmer in western Canada who made application, because he was hailed out, after this deadline the sum would be less than $1 million. That, Mr. Speaker, constitutes my problem and the problem of many farmers.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there was nothing in the presentation made by the hon. member for Battle River (Mr. Downey) in addition to what he raised in the question the other day. The minister responsible for the Wheat Board gave him a reply then and the contents of that reply are just as valid now as when he gave it.

The hon. member ought to realize that when you set up a program like this you have to make provision for a deadline. It does not make very much difference when the deadline is set, because there will always be some difficulty about it. The hon. member of course failed to mention that because of some late applications regarding the physical condition of all of these fields up to July 15, the board of review, or appeal board, were given authority to make adjustments for those late applications. That means that those applications came in stating the conditions as of and up to July 15 and not after that.

Anyone who had seeded his crop and the condition of the field changed because of having plowed it down, because he swathed a cover crop, because of hail damage or whatever, had an opportunity to amend his application up to July 15; and even if the application did not come in until after July 15 that was taken into account. But with regard to anyone who had not changed his application prior to July 15, what was contained in his application was valid.

So far as the $140 million is concerned, the hon. member answered that question for himself. That was the total offer if there had been 100 per cent participation by western farmers based on their wheat plantings in 1969. Of course, as the minister replied to the hon. member, the total amount that would be paid out would be in compliance with the offer that was made. If it were 50 per cent, and that is what it was—from 24 million acres down to about 12 million acres—then 50 per cent of the estimated cost would be paid out. Of course, that was not determined by the government; it was determined by the farmers. That was the amount for which they applied.

In addition to this, when we talk about the other money the Minister of Finance (Mr. Benson) has already announced, as has the minister responsible for the Wheat Board, some time later this year, and hopefully sooner

than later when the new stabilization program comes in there will be an additional $100 million transferred into the wheat economy.

PENSIONS—OLD AGE SECURITY—ACKNOWLEDGEMENT OF RETURN OF BASIC INCREASE BY CERTAIN PENSIONERS—USE MADE OF MONEY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this afternoon I put a question to the Minister of Finance (Mr. Benson) regarding old age pensioners who are sending in contributions of 42 cents, this being the figure by which the basic amount of the old age security pension was increased in January. I asked this question because I felt that old age pensioners who are making this gesture should be assured that their contributions will be acknowledged, and also because I felt that these pensioners had the right to know to what use their money is being put.

I confess I was quite surprised when the Minister of Finance in his reply indicated that he had received three of these contributions, and I took it that he meant he had received only three. This led me to a quick check of my own files this afternoon and I found that I have had seven letters from individuals who have told me that they sent 42-cent contributions to the government. Let it be clear that although most of them were sent to the Minister of Finance, in a couple of cases they went to the minister of National Health and Welfare (Mr. Munro) and to the Prime Minister (Mr. Trudeau).

• (10:20 p.m.)

In addition to these seven I have before me a couple of letters to the editors of newspapers. One is from L. Wright to the Editor of the Toronto *Telegram* and the other from C. G. Stockley to the Winnipeg *Tribune*. They indicate that they sent 42 cents either to the Minister of Finance or the Prime Minister. That adds up to nine.

The hon. member for Kootenay West (Mr. Harding) indicated in the House a few days ago that he had received one of these 42-cent contributions and I understand that he transmitted it to the Minister of Finance. That makes ten. Some days ago the hon. member for Greenwood (Mr. Brewin) told me that he had received two of these contributions and had sent them to the Minister of Finance. That adds up to 12 within my direct knowledge. That is why I was surprised at the statement of the Minister of Finance this afternoon to the effect that he had received only three. I hope that the parliamentary secretary who is representing the minister tonight will have this matter checked. I have quoted only cases which I can document, but from the letters I am receiving and the cases I read about in the newspapers it strikes me that a great many of our pensioners are participating in this attempt to help the government out by providing it with these 42-cent contributions.

I might add, Mr. Speaker, that I have before me tonight some additional contributions. The last questioner raised a matter that would cost the government money, and we are often asked where the money is coming from for projects which we advocate. I have some of it here tonight. I have a Canadian postal order for 42 cents made out to Mr. Edgar Benson from Mr. George Anderson of Suite 11, 220 Jamison Avenue, Winnipeg 15, Manitoba. In his letter he suggested that I transmit this postal order to the Minister of Finance and that if the minister needed it for pipe tobacco he could use it for that purpose. I have two envelopes each containing 42 cents in cash—at least it says so on the outside but I have not opened them. They were sent in by Mr. J. Drinkwater of Suite 1, 239 Victoria Street, Kamloops, B.C. These contributions have come directly to me with the request that I transmit them to the Minister of Finance.

In addition, I have a cheque which was sent to the hon. member for Surrey (Mr. Mather). It comes from Mrs. Mabel A. Hamilton of North Surrey, B.C., and is a cheque on her savings account for 42 cents made out to "Someone in need, care of Prime Minister P. E. Trudeau". Finally, in addition to the 42-cent contribution which the hon. member for Kootenay West sent in the other day I have another which he received since and which he asked me to present tonight. It is from Mr. Edward Hall of 1827 - 5th Avenue, Trail, B.C., and it consists of four dimes and two pennies scotch-taped to a card. It is addressed to "Scrooge and misers Benson and Trudeau from an old age pensioner and also a veteran from the First World War."

Mr. Speaker, here are five more of these contributions, and they add up to $2.10—quite a boost to the government. Perhaps the chief page would be good enough to take these across to the parliamentary secretary, together with a list of the donors and their names and addresses so that these contributions can be properly acknowledged. I hope that a record will be kept of them. This afternoon the Minister of Finance said that he was sending them to the Receiver General of Canada. He may have to open a special account and may even have to come back to Parliament for guidance as to what is to be done with the money.

At any rate, in addition to receiving this money from these people and confirming the assurance that they will be acknowledged, I hope the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) will convey to his minister and the government the motive behind this gesture on the part of these people. The plain fact of the matter is they, and many thousands of our senior citizens, feel insulted by such a small increase at a time when the basic amount of the old age pension ought to be increased substantially.

We have been debating today a motion in which there was the phrase that the government "has humiliated the disadvantaged." It is bad enough to be hard up or disadvantaged. It is even worse to have humiliation added to it. That is what these retired people feel about a basic increase in the old age pension of only 42 cents.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of Finance (Mr. Benson) has had the opportunity to look further into this matter since the question was posed this afternoon. There have indeed been a number of payments of the

nature referred to by the hon. member. These are being acknowledged and, where the payor can be identified, the payment is being returned. Where the payor cannot be identified, the money is, as the minister said, being deposited to the credit of the Receiver General.

The government has fully informed the people of Canada of the cost of maintaining all programs as they existed when this government assumed office following the last general election. One of the possiblities was to continue the programs unchanged at increasing costs, which would lead in time to a level of taxation unacceptable to Canadians and, indeed, detrimental to the Canadian economy. Rather than accept that, the government has reviewed and proposes changes to a number of programs, including the federal old age pension, with a view, to providing both improved programs and an acceptable level of taxation.

In dealing with the old age pension, the government has rejected the option to continue to pay all pensioners regardless of need an amount inadequate for those actually in need. Instead it has elected to limit the amount paid regardless of need and to effect a meaningful increase for those pensioners who actually require more assistance. In raising this question the hon. member deals with that portion of the federal old age pension payable regardless of need, the old age security payment. He ignores the guaranteed income supplement, the amount of which depends on need.

There are two very substantial improvements proposed for the GIS. Firstly, the limits of elegibility will be raised so that many more of Canada's senior citizens will be helped by the GIS. Previously, single pensioners with annual income exceeding $768 and married pensioners with income exceeding $1,536 were not eligible. These limits will be raised to $1,320 and $2,304 respectively.

Secondly, with implementation of increases in the guaranteed income supplement, federal old age pension payments will increase by as much as $23.59 per month, from $111.41 to $135.00 for a single pensioner and by as much $32.18 per month, from $222.52 to $255.00, for married pensioners. In annual terms, this represents an increase from $1,336.92 to $1,620.00 for a single pensioner and from $2,673.84 to $3,060.00 for a couple. It is expected that in the first year the substantial improvement in the federal old age pension will amount to $194 million in total.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, February 16, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

ENVIRONMENTAL POLLUTION

First report of Special Committee on Environmental Pollution—Mr. Givens.

VETERANS AFFAIRS

First and second reports of Standing Committee on Veterans Affairs—Mr. Legault.

AGRICULTURE

Third report of Standing Committee on Agriculture—Mr. Beer.

[*Editor's note: For text of above reports see today's Votes and Proceedings.*]

* * *

[*Translation*]

PRIVILEGE

MR. PEPIN—PRONUNCIATION OF NAME

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, before requesting permission to table a return, may I rise on a question of privilege?

Mr. Speaker, yesterday my name was pronounced in this chamber.

[*English*]

I do not mind being called "Jeen", "John" or "Jake", although I prefer to be called "Jean". I do not mind being called "Lac", "Luke" or "Luck", although I prefer being called "Luc". I do not mind being called "Piep-in", "Papin" or "Peppin" although I prefer being called "Pepin". The only name I resent is "Peep-in".

[*Translation*]

Mr. Speaker: The minister has not established the basis of his point of order or question of privilege. This is hardly a "pépin" (problem).

DOMINION BUREAU OF STATISTICS

TABLING OF DOCUMENT RESPECTING REGIONAL SEASONALLY ADJUSTED RATES OF UNEMPLOYMENT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): In the same line of thought, Mr. Speaker, may I table a document issued by the Dominion Bureau of Statistics and dealing with seasonally adjusted regional rates of unemployment?

[*English*]

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT—MEETING WITH PROVINCIAL AND MUNICIPAL REPRESENTATIVES ON PROJECTS TO PROVIDE WORK—TORONTO METRO CENTRE PROJECT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Prime Minister. In view of the seriousness of the unemployment problem and his concern about it and in view of the obvious difficulties of some cities and municipalities in getting projects under way, is it the intention of the government of Canada to meet with provincial and municipal representatives in order to iron out some of the existing difficulties and enable those projects to be undertaken? I refer specifically, of course, to conversations that took place in Toronto yesterday which exposed certain difficulties.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are always anxious to meet with representatives of provincial governments or municipalities who want to discuss ways in which we can co-operate in combating unemployment. Several provinces and municipalities have taken advantage of the $160 million that has been offered to them by way of loans in our December budget. Some have not. Obviously we are anxious to discuss with them what the advantages for them would be in using these funds to undertake projects which would create employment.

Mr. Stanfield: My question goes far beyond the loan fund of the government. Perhaps I might address a specific question to the Minister of Transport. Is the federal government now prepared to make the commitment requested by the city of Toronto with regard to subway and rail movement to enable the metro centre project to get off the ground and move forward?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is my understanding that that particular aspect of the program is not necessarily or primarily the

reason for any delay in the project. I can assure the Leader of the Opposition, as I have frequently stated in this House and outside, that we will give full co-operation to the project. As I understand it, in the the first instance it is a matter of the two railways deciding how and at what rate they want to proceed.

Mr. Stanfield: In view of the answer given by the minister, it is obvious there is hardly a meeting of minds between the representatives of the city of Toronto and the minister. I therefore ask the Prime Minister if he will agree to undertake such a meeting. If he is not prepared to do that, is he at least prepared to have a meeting with some of his private members who represent the city of Toronto and who complain they cannot see, let alone speak, to the government?

Mr. Trudeau: We cannot very well telephone all the mayors of Canada to ask if they want to see us. I repeat that we are open to meeting with anyone who asks to see a minister or any of our federal officials at any time. Surely the Leader of the Opposition is not suggesting that I pick up the telephone and call here and there to see what we can do for them.

Mr. David Lewis (York South): Along the lines of the answer given by the Prime Minister may I ask him whether, instead of telephoning, he could not announce a meeting inviting the heads of the major municipalities or all municipalities in Canada for the purpose of discussing what works may be undertaken? There is no need to telephone. He can call such a meeting by making an announcement.

Mr. Trudeau: That is not a very constructive suggestion, Mr. Speaker. Only last week we had a meeting with the provinces at which we discussed the economic situation and unemployment. Surely the hon. member knows that the municipalities come under the jurisdiction of the provinces. In that sense it would be very improper for us to convene them here.

UNEMPLOYMENT—SUGGESTED REINSTATEMENT OF WINTER WORKS PROGRAM—GRANTS INSTEAD OF LOANS—SHARING OF PROJECT COSTS

Mr. S. Perry Ryan (Spadina): I have a supplementary question for the Prime Minister. As it is not too late, will the government reinstate the winter works program as an emergency measure, as requested yesterday by the mayor of Toronto?

Right Hon. P. E. Trudeau (Prime Minister): As has been said several times, Mr. Speaker, we have replaced the winter works program with programs which are fourfold as generous as the winter works program ever was.

Mr. Ryan: As the mayor of Toronto stated that the city cannot get along on loans such as have been proposed by the government, will the government either make grants or institute a shared-cost program available to boroughs in the same position as the city of Toronto because of the great degree of unemployment?

[Mr. Jamieson.]

Mr. Trudeau: I am surprised to hear a member from the Toronto area suggest that the loans be replaced by grants. If that were the case, the grants would have to be paid by taxes. They would not be reimbursable. Grants would be paid by taxes which would be mainly levied around the city of Toronto.

Mr. Ryan: Would the Prime Minister not agree—

Mr. Speaker: Order, please.

[*Translation*]

UNEMPLOYMENT—GRANTS INSTEAD OF LOANS—DISCUSSIONS WITH QUEBEC

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question for the Prime Minister.

In view of his refusal to transform the loans into subsidies, can the Prime Minister tell us whether at the constitutional conference the premier of Quebec discussed the matter with one of his colleagues in the Cabinet, or with himself, and whether he has given Mr. Bourassa a reply?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, once more I repeat that it is not customary to reveal the subject matter of *in camera* conferences. If the hon. member wants to be informed of the position taken by the Quebec government and not made public, he must approach that government, or have some representative in the Quebec National Assembly put the question.

Mr. Valade: I would like to ask a supplementary question, Mr. Speaker.

The Prime Minister has been content with providing me with an evasive answer. I am asking him whether he has discussed with Quebec's premier the possibility of changing grants into loans to the provinces for winter works.

Mr. Trudeau: Not revealing the confidential position of the other parties is not being evasive, Mr. Speaker.

If the hon. member is inquiring about Quebec's position, my answer remains the same. If he is asking whether I have discussed the problem, the answer is negative.

[*English*]

UNEMPLOYMENT—REQUEST FOR TABLING OF LOAN FUND CORRESPONDENCE WITH PROVINCES

Mr. John Burton (Regina East): I have a supplementary question for the Prime Minister. Would the Prime Minister consider tabling the correspondence between the federal government and the provinces concerning the loan fund?

Right Hon. P. E. Trudeau (Prime Minister): Such correspondence did not come my way. I will find out from the ministers whether they have received any and whether the correspondence was confidential or otherwise. If there has been correspondence and the provinces

do not object to its publication I cannot see that we would have any objection. But surely the proper course would be to address the question to the provinces themselves. If they want to make their position public they usually do not ask for our permission.

UNEMPLOYMENT—EARLY ANOUNCEMENT OF NEW PROGRAMS TO ALLEVIATE PROBLEM

Mr. John Lundrigan (Gander-Twillingate): Is the government planning to announce any new programs now or in the immediate future, or do we have to rely on the programs which have been instituted since last March, to quote the Prime Minister's speech in western Canada?

Right Hon. P. E. Trudeau (Prime Minister): I missed the last part of the question, but I do not think it is very important.

Some hon. Members: Oh, oh!

Mr. Lundrigan: Can I meekly, mildly and gently approach the esteemed and honourable gentleman who is occupying the throne of Canada at the moment—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member will recognize that he cannot preface a question in this way. If he has a supplementary it should be asked in a direct manner. We do have to get on; we are still on the first question. I propose, after the hon. member's supplementary, to recognize the hon. member for Broadview and then go to the next question which will be asked by the hon. member for Shefford.

Mr. Lundrigan: On behalf of 686,000 Canadians and myself, perhaps I will leave my question for now as unemployment is not important—

Mr. Speaker: Order, please. The hon. member is continuing in the same vein. He cannot ask a question in this way. He has the floor for the purpose of asking a supplementary and I hope he will ask it.

Mr. Lundrigan: I would ask the hon. gentleman if he would condescend to tell us whether any new programs are to be announced now—let them eat what? I did not get what the Prime Minister just said.

Some hon. Members: Shame!

Mr. McGrath: Shame on you. Say it for *Hansard.*

Mr. Speaker: Order. The hon. member for Broadview. Order. I believe the hon. member for Gander-Twillingate seeks the floor on a point of order.

Mr. Lundrigan: On a question of privilege, I want to say two things. First, I hope that the remark of the Prime Minister has been recorded. Second, he does not have the guts to say to the people of Canada what he has just said across the floor of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We should proceed in an orderly fashion. Would the hon. member kindly resume his seat? The hon. member has to resume his seat when the Speaker wants to address the House. I gather that the hon. member has a question of privilege. He should state to the Chair what his question of privilege is; this is what I want to bring to his attention.

Mr. Lundrigan: Mr. Speaker, I am not permitted to use four-letter words in the House so I cannot quote for the record what the Prime Minister said. But let me say to the Lapalme workers that what they heard from the Prime Minister was mild compared with what he has just said to the House of Commons today.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lundrigan: As the Member of Parliament for one Newfoundland constituency I have all rights and privileges in representing my people and the people of the Canadian nation, including the right to present to the government any position or recommendation I think appropriate to alleviate the serious burden of unemployment. This attitude on the part of the Prime Minister is so contemptuous that it is certainly creating a tremendous amount of concern across Canada.

Mr. Speaker: Order, please. The hon. member for Broadview.

Mr. Trudeau: I rise on the same question of privilege, Mr. Speaker.

Mr. Speaker: Order. I understand that the right hon. Prime Minister is rising on the question of privilege raised by the hon. member for Gander-Twillingate.

Mr. Trudeau: Mr. Speaker, the hon. member has accused me of uttering a four-letter word in this House. That is an absolute untruth.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Broadview.

Mr. Gilbert: Mr. Speaker, I have a question for the Prime Minister.

Mr. Alexander: Mr. Speaker, I rise on a question of personal privilege.

Mr. Speaker: Order, please. The hon. member for Hamilton West is rising on a question of privilege.

Mr. Alexander: Mr. Speaker, I want the record to show that after I referred the remark made by the Prime Minister back to him in terms indicating he had used this four-letter word twice, he then looked at me and used the same word again. I will stand up and be a gentleman with respect to the position the Prime Minister holds, but

under no conditions do I have to sit here representing 100,000 people and accept the type of abuse that has been thrown not only at me but at every member of the opposition. I think this is a shameful and unacceptable attitude for the Prime Minister of Canada to take.

Mr. Trudeau: Mr. Speaker, I challenge any member opposite to say that they heard me utter a single sound, and I challenge the *Hansard* reporter to say whether or not he has recorded anything of that sort.

Mr. Alexander: I must say, Mr. Speaker, that I thought the Prime Minister would back down, but any time you make a gesture like this there is no question about what it means.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I believe the hon. member for Broadview has the floor.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Broadview. The hon. member for Winnipeg North Centre is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my point of order is one concerning which I ask for your protection. The Prime Minister has just thrown out a challenge to the *Hansard* reporter. That does not lie with any of us. I ask Your Honour to protect the *Hansard* reporter.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Broadview.

UNEMPLOYMENT—REQUESTED EXTENSION OF SEASONAL UNEMPLOYMENT INSURANCE BENEFIT CUT-OFF DATE

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Prime Minister. In view of the time factor in respect of the programs which the government has implemented to cope with the unemployment situation, will the Prime Minister consider extending the seasonal benefits date, which is June 1, under the Unemployment Insurance Act in order to take care of the time lag regarding unemployment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will be patient for a few days he will see that new Unemployment Insurance Act legislation will come before the House based on the white paper which was fully discussed by the House some time ago.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Hamilton West on a supplementary question, although I indicated a moment ago that recognition should be given to the hon. member for Shefford.

UNEMPLOYMENT—ATTITUDE OF QUEBEC TO WHITE PAPER ON UNEMPLOYMENT INSURANCE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my anger is subdued somewhat as a result of the smile on the face of the Prime Minister. I should like to ask him whether in fact, as a result of the opposition to the white paper on unemployment insurance by the province of Quebec, all areas of concern have now been brought back to a common denominator, and is the province now prepared to go along with the terms of the white paper?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot speak for the province of Quebec. There have been several meetings with them. The hon. member will see the results of the white paper in the bill that will be put before the House. I cannot predict what the province of Quebec will say or how it will react to this bill.

Mr. Speaker: Order, please. The Chair has indicated that we should recognize the hon. member for Shefford. Would the hon. member kindly resume his seat? I have indicated that there should not be any more supplementary questions for the moment on this very important matter. I will return to the hon. member for Spadina in a moment. I gather that the hon. member for Nanaimo-Cowichan-The Islands is rising on a point of order.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am rising on a point of order. I believe it is customary for each party to be allowed to ask one major question. No main question has been asked by this party.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I appreciate the point being made by the hon. member. At times there are a number of supplementary questions on the first general question, in which two of the major opposition parties participate. As a result members of the party to the extreme left do not have the opportunity of asking a question. In equity and justice I feel that they should be given the opportunity to ask a question after about half of the question period has been taken up by two of the parties in the House. That is why I am inclined to make an exception this afternoon. The point has been well taken and I am sure the hon. member for Shefford is prepared to wait for a moment while we hear from the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am quite prepared to wait if the hon. member for Shefford wants to proceed.

* * *

[*Translation*]

THE CANADIAN ECONOMY

GOVERNMENT POLICY RESPECTING FREEZING OF SALARIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, for a moment I thought that the faces made in this House would prevent me from asking questions.

I have a question for the right hon. Prime Minister about the freezing of wages. As I note that often the Canadian policy is based on that of the United States as regards, for instance, the fluctuation of the Bank of

Canada exchange rate, is the Canadian government contemplating, as does the United States government, early implementation of a wage freeze?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware, Mr. Speaker, that the Americans have frozen wages but I am willing to inquire about the matter.

* * *

[*English*]

POLLUTION

POLICY RESPECTING PIPELINE DOWN MACKENZIE RIVER VALLEY FROM ALASKA—STUDIES OF ECOLOGICAL CONSEQUENCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, who for some time has not been able to be in the House although he has been on the roster, I should like to direct my question to the Prime Minister. It arises from a speech the Minister of Energy, Mines and Resources made in Vancouver last Thursday in which he quite properly deplored the plan for bringing oil from Alaska down to Cherry Point, Washington, in tankers and the attendant hazards this movement would entail. My question has to do with the minister's offer of the Canadian northland as a bridge for the movement of oil from Alaska down the Mackenzie River Valley. I should like to ask if this offer of the Canadian northland for this purpose is a statement of government policy?

Right Hon. P. E. Trudeau (Prime Minister): I have not seen the reference the hon. member has in mind. I will check into it, but there is no government policy to make any precise offer, if that is what the hon. member is asking. There has been, of course, the suggestion that this course might be a cheaper and more useful way of moving oil south. There has to be, of course, attendant upon that a caution about the danger of pollution in our own territory which might result from it. There has been no formal offer of which I know.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, yesterday the Secretary of State for External Affairs said "we have been doing some studies on the ecological consequences of such a pipeline". I want to ask the Prime Minister or the Minister of Fisheries and Forestry whether such studies on the ecological consequences of a pipeline down the Mackenzie River Valley have been undertaken, if they have been completed and whether or not they will be made available to Members of Parliament before this question has to be decided upon?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I can assure hon. members that studies along these lines are under way. The oil companies are also engaged in a major experiment at Inuvik with a view to designing a pipeline which will be compatible with our environment.

Inquiries of the Ministry

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, can the minister or the Prime Minister assure the House that until such studies have been made public and members of the House have had an opportunity to study the ecological effects of such a pipeline, no final decision will be made by the government in respect of giving consent for its construction?

Mr. Davis: I think we can assure the House we will not only look into the ecological consequences of a pipeline but also be communicating as effectively as possible with the public, and certainly with members of this House and with the public.

* * *

OIL

FEASIBILITY STUDY OF CONSTRUCTION OF PIPELINE TO EASTERN CANADA IN LIGHT OF NEW OFFSHORE OIL PRICE AGREEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question arises out of the new agreement in respect of the Organization of Petroleum Exporting Countries. I direct it to the Prime Minister in view of the absence of the Minister of Energy, Mines and Resources. On January 20 and on February 9 I asked the Minister of Energy, Mines and Resources and the Secretary of State for External Affairs about the possibility of the government initiating and promoting a feasibility study to ascertain the economics of building a pipeline from western Canada and the Arctic to supply the eastern Canadian market. In view of the OPEC agreement, would the Prime Minister and the government consider setting up a study group sponsored by the government and independent of free enterprise in view of the new economic situation which has developed as a result of this recent agreement?

Right Hon. P. E. Trudeau (Prime Minister): I will take the question as notice on behalf of the minister.

Mr. Woolliams: Mr. Speaker, may I put this supplementary. In view of the fact that last week the Minister of Energy, Mines and Resources and the Secretary of State for External Affairs said that such a study would be left up to free enterprise and in view of the fact that free enterprise is capable of shipping crude petroleum from western Canada and importing it from the Near East, would the Prime Minister give serious consideration to adopting a different viewpoint and set up a clearcut study of the economic feasibility as such a pipeline would be so important to the gross national product and particularly in providing jobs for Canadians?

Mr. Trudeau: I will take the second part of the speech as notice too, Mr. Speaker.

Inquiries of the Ministry

AIR CANADA

STATUS OF ORDERS FOR LOCKHEED TRI-STAR AIRCRAFT IN VIEW OF ROLLS-ROYCE FINANCIAL DIFFICULTIES—EFFECT ON CANADIAN SUBCONTRACTORS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would he inform the House what the status is of Air Canada orders for Tri-Star aircraft in light of the fact that, because of difficulties the RB-211 Rolls-Royce engines will not be available for these aircraft at the scheduled time?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the comment that the engines will not be available is of course correct in terms of the specified time. I understand negotiations are proceeding in London today with the British government and Lockheed with a view to reactivating the order for the Rolls-Royce engines. In the interim Air Canada and all other airlines which have placed orders for the Tri-Star are holding their plans in abeyance until they see the outcome of the talks in London.

Mr. MacLean: Is it correct to assume that Air Canada has not developed any contingency plans yet to obtain substitute equipment if these orders are not filled?

Mr. Jamieson: I think that would be a correct assumption. There are alternative types of aircraft available which are roughly comparable. At the present time Air Canada still has its queue position in line for the Lockheed Tri-Star and will await the outcome of the talks in London.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in view of the $30 million loan made on the British market by Air Canada recently, may I ask the minister whether or not that was for the purpose of orders for the Rolls-Royce engines and, if so, has any of this money yet been advanced to Rolls-Royce for these orders?

Mr. Jamieson: I would have to take that question as notice as to the details. My general assumption would be that there was no ill effect so far as Air Canada was concerned because it seems to me it was related to the delivery of the engines for Air Canada's use, but I will get a formal answer for the hon. member as soon as I can.

Mr. MacLean: Mr. Speaker, I have a supplementary for the Minister of Supply and Services. I would like to ask him if he would say what effect the delay or cancellation of these orders by Air Canada would have on subcontractors in the Canadian aircraft industry and whether his department has any contingency plans to relieve the resultant further unemployment which would occur in the Canadian industry?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the delay in the Lockheed program will reduce the workload in a number of plants in Canada, in Edmonton, Winnipeg and other places, but the extent of that reduction cannot be gauged at the present time mainly for the reasons the Minister of Transport has just revealed to the House.

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DRUGS

ALLEGED INCREASE IN SMUGGLING OF MARIJUANA AND HASHISH INTO CANADA—REPRESENTATIONS TO REDUCE SOURCES OF SUPPLY

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Solicitor General. Can the minister indicate whether there has been a substantial increase in the smuggling of marijuana and hashish into Canada comparable with that experienced in the United States in the past year and, if so, would he tell us what new initiatives are being taken to combat the problem?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I am unable to answer the question of the hon. member, but I can say that an official commission is now studying the problem, and that we are keeping in touch with its members. We are co-operating fully with the commission and we intend to take into consideration the recommendations it will make.

[*English*]

Mr. Yewchuk: Mr. Speaker, my supplementary was for the Secretary of State for External Affairs but in his absence I shall direct it to the Prime Minister. Have any representations been made recently—and I am aware of the fact that the Le Dain commission is sitting at the present time—to Mexico and the countries of the Middle East, Central and South America and Southeast Asia to see whether more aggressive action can be taken to reduce the sources of supply of these drugs while awaiting the Le Dain Commission report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of what or how many representations may have been made. If they have been made they would have been made through the minister responsible for external affairs. Perhaps the question could be addressed to him when he is in the House.

* * *

INDUSTRY

MICHELIN OF CANADA—INQUIRY AS TO SPECIAL TARIFF CONCESSION

Mr. John Burton (Regina East): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Has the government agreed to a special tariff concession to Michelin of Canada, and are other changes in the tariff structure on tires under consideration?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Michelin tariff arrangement was announced a long time ago. It was referred to in the House on a number of occasions. I will find the proper references and send copies to my hon. friend.

[*Translation*]

AGRICULTURE

MEASURES TO COMPENSATE FARMERS FOR LOSSES INCURRED

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Agriculture relating to the lower income registered by farmers as compared to last year.

Can the minister tell us what steps he intends to take to make up for the losses the farmers suffered because prices went down by 5.9 per cent in December 1970?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are many programs and amendments to programs that are under way now which I am sure the hon. member is aware of and which will help to relieve this situation.

PRESENTATION OF FARM CONSOLIDATION PLAN PRIOR TO LEGISLATION IMPLEMENTING GRAIN PRODUCTION AND RECEIPTS POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask the Minister of Agriculture whether he can assure the House that the government's plan for farm consolidation will be presented to the House prior to legislation being introduced to implement the grain receipts policy for the western grain industry?

Hon. H. A. Olson (Minister of Agriculture): To repeat what the Minister of Manpower and Immigration said a few days ago, to bring the stabilization program into full effect would require amendments to a number of Acts.

Mr. Gleave: In light of what the minister has said, and since it is necessary to know what type of farm and rural community structure is going to be stabilized under the plan to which he referred, is he not putting the cart before the horse, and will the minister reconsider the position and make a statement on motions—

Mr. Speaker: Order, please. The hon. member's supplementary question is in the form of a representation.

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COMBINES

SUGGESTED INVESTIGATION OF SO-CALLED PRICE WAR AMONG GROCERY CHAINS

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Consumer and Corporate Affairs. In view of certain questions that have been asked in the House by me, by the hon. member for Don Valley and by other hon. members concerning the so-called price war among major grocery chains, is the minister now in a position to give us a report on what the Combines Investigation Branch has been doing in this regard?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I made it very clear that we have been following the situation in most of Canada where discount operations seem to be appearing from two points of view:

first, whether any offence under the Combines Investigation Act is being committed and, second, whether there has been any misleading advertising with regard to any of the claims respecting discount prices. Naturally, as is traditional in these matters which involve what are in essence criminal investigations, I am not in a position to report progress on any of these inquiries unless or until charges are laid.

Mr. Nesbitt: Since reports in the press and elsewhere indicate that prices have not in fact been going down as regards one of the major companies but going up, I wonder if the minister could do something to accelerate the investigations that are now going on in order to prevent at least some of the smaller grocery stores in Ontario being put out of business by what appears to be very suspicious activity?

* * *

NATIONAL DEFENCE

INQUIRY AS TO INTRODUCTION OF PROVINCIAL RECRUITMENT QUOTAS

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of National Defence. Can the minister indicate whether his department is now planning to introduce a system of recruitment quotas for each of the provinces on or about April 1 and, if so, what is the nature or the level of these quotas?

Hon. Donald S. Macdonald (Minister of National Defence): I would have to confirm this, but I know of no system of quotas on a provincial basis. There is, of course, a very detailed quota system with regard to specific trades.

Mr. Forrestall: Would the minister determine what the facts are in looking into the matter because there are rumours afloat that there is a system of quotas which would make a division between Anglophone and Francophone recruitment in the armed forces, and it seems to me that this should be cleared up once and for all.

Mr. Macdonald (Rosedale): Perhaps I could remind the hon. member that any Anglophone or Francophone differential would not be on a provincial basis.

* * *

INFORMATION CANADA

ALLEGED GRANT TO THE CANADA COMMITTEE

Mr. David Lewis (York South): May I ask the Prime Minister whether he is aware that Information Canada is alleged to have made a grant or to be prepared to make a grant to an organization called The Canada Committee? If so, is that one of the functions that have been assigned to Information Canada?

Right Hon. P. E. Trudeau (Prime Minister): I will have to check into both questions.

Inquiries of the Ministry

NATIONAL SECURITY

QUEBEC—ALLEGED GUERILLA TRAINING CAMPS

Mr. P. V. Noble (Grey-Simcoe): Several days ago I put a question to the Solicitor General which he said he would like to look into. Perhaps I can repeat the question for his benefit. Has the government been able to locate any of the guerilla training camps supposedly in the interior of Quebec and, if so, what action has been taken and were any arrests made in this connection?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, as far as we are concerned, we feel that it is the responsibility of the Quebec police forces to supervise their own territory with respect to cases of the kind mentioned by the hon. member.

[*English*]

Mr. Noble: In view of the fact that a government representative stated last week in the United States that we could expect a continuation of violence in Canada, is the government keeping close surveillance on known trouble areas, and have the so-called guerilla training camps been obliterated?

[*Translation*]

Mr. Goyer: Mr. Speaker, violence in Canada is tied up with a worldwide phenomenon and all societies should henceforth take whatever action is required to face it.

* * *

[*English*]

CROWN ASSETS DISPOSAL

QUALIFICATIONS IN BILL OF SALE OF HMCS "BONAVENTURE"—ALLEGED USE BY NATIONALIST CHINA FOR TRAINING PURPOSES

Mr. A. D. Hales (Wellington): I should like to direct my question to the Minister of Supply and Services responsible for Crown Assets Disposal Corporation. Were any qualifications included in the bill of sale of HMCS *Bonaventure* recently sold, presumably for scrap?

Hon. James Richardson (Minister of Supply and Services): The qualification on the sale of *Bonaventure* was that it had to be scrapped.

Mr. Hales: I should like to put my question to the Minister of National Defence. Can he advise the House if the Chinese Nationalist government is in possession of the *Bonaventure* and whether Taiwan forces are training aboard it?

Hon. Donald S. Macdonald (Minister of National Defence): I would have to make inquiries in that regard.

[Mr. Trudeau.]

HOUSING

REQUEST FOR TABLING OF STUDY, "URBAN CANADA, PROBLEMS AND PERSPECTIVE"

Mr. Robert McCleave (Halifax-East Hants): My question is for the minister in charge of housing. Will the minister table soon the Lithwick study entitled "Urban Canada: Problems and Perspective" which was commissioned by Central Mortgage and Housing Corporation? I ask this question because it is circulating among different government officials, private organizations such as the Federation of Mayors and Municipalities, and the Department of Municipal Affairs of the government of Ontario, and I think we should have it also.

Hon. Robert K. Andras (Minister without Portfolio): That is my intention, and it is a surprise to me if it has been given such wide circulation.

* * *

VETERANS AFFAIRS

REQUIREMENT THAT WAR VETERANS ALLOWANCE RECIPIENTS APPLY FOR GUARANTEED INCOME SUPPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of the anxiety expressed by many veterans 65 years of age or over who are receiving war veterans allowances because of a notice to the effect that they must apply for a guaranteed income supplement or be regarded as doing so, will the minister make a statement as to why this is being done and the authority for it?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, it is quite clear that there will be increases of 10 per cent in disability pensions and 15 per cent in war veterans allowances. Recipients of war veterans allowances have been asked to go and receive their OAS and GIS first so that additional resources will be made available to them. This is quite satisfactory and there is no question concerning it. These people are aware of the situation.

Mr. Knowles (Winnipeg North Centre): Will the minister check into the aspect of the notice which tells these veterans that they must so apply and that if they do not do so they will be regarded as having done so? That is the point on which we would like to have an explanation.

Mr. Dubé: Yes, Mr. Speaker.

* * *

FLOODS

NOVA SCOTIA—REQUEST FOR FUNDS TO REPAIR DAMAGE

Mr. Lloyd R. Crouse (South Shore): I wish to direct a question to the Prime Minister. In view of the flood damage which has occurred in Nova Scotia, especially in the town of Bridgewater where the bridge connecting the

town with the main highway has been completely destroyed, has the Prime Minister received any request from the premier of that province for special disaster funds to aid in repairing the damage to this and other flooded areas in the province?

Right Hon. P. E. Trudeau (Prime Minister): I have not yet received such a request but I will check with my office to see whether any comes in.

* * *

[*Translation*]

AGRICULTURE

FARM PRODUCTS MARKETING BILL—APPLICATION TO GROUPS OF PRODUCERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to ask the Minister of Agriculture a question which is very important in the eyes of farmers.

In recognition of the serious concerns which are felt by most farmers' groups with respect to the implications of Bill C-176, is the minister in a position to assure us that no marketing agency for a specific agricultural product will be established unless it has been approved by the absolute majority of the producers involved?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): The selection of the officers and directors of the specific commodity boards will follow the agreements that are made between the federal and provincial governments because obviously these agencies will be administering delegated legislation from both levels of government. Therefore I cannot say in advance what those agreements will be.

* * *

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I was going to direct a question to the Secretary of State but because of the urgency I will address it to the Prime Minister. In view of the fact that the President of the Canadian Citizenship Federation hopes to have a museum to record files and treasures of the ethnic groups of Canada—"Germaphones", "Ukraphones", "Polophones" and all other groups that belong to our multicultural society—would the Prime Minister please consider Mr. Casimir Stanczykowski's ethnic multicultural movement and make it a part of the National Arts Centre?

* * *

STATUS OF WOMEN

DESIGNATION OF MINISTER TO STUDY COMMISSION REPORT

Mr. Lorne Nystrom (Yorkton-Melville): I should like to direct my question to the Prime Minister, Mr. Speaker. May I ask whether it is the intention of the government to designate a minister to be responsible for studying the report on the status of women with a view to implementing its federal recommendations?

Right Hon. P. E. Trudeau (Prime Minister): It is not the responsibility of any one minister designated yet, Mr. Speaker; it is a responsibility of the cabinet.

Mr. Speaker: Orders of the day. Perhaps the House would allow the hon. member for Vancouver-Kingsway a supplementary.

Mrs. Grace MacInnis (Vancouver-Kingsway): I should like to address a supplementary question to the Prime Minister. In view of the very great interest of the large women's organizations across the country who are writing letters in considerable numbers, could the Prime Minister give a date when someone in the cabinet will be designated to be in charge of this report and its implementation?

Mr. Trudeau: Mr. Speaker, I am surprised that the hon. member is suggesting that we downgrade the report to the level of one minister. I say the full cabinet is concerned with it.

Mr. Speaker: Orders of the day. The hon. member for St. John's East rises on a point of order.

* * *

BUSINESS OF THE HOUSE

SITTING OF STANDING COMMITTEES WHILE GOVERNMENT ORGANIZATION BILL UNDER CONSIDERATION IN COMMITTEE OF THE WHOLE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to rise on a point of order regarding the business of the House. My point of order refers to the meetings today of the Standing Committees of the House. This happens to be one of the inactive days so far as committees are concerned because only five committees are meeting. My point of order is based on the fact that three of those committees are meeting at 3.30 p.m. at a time when this House is going into Committee of the Whole to examine Bill C-207. Mr. Speaker, the government organization bill is of interest to every member of the House—

Some hon. Members: Hear, hear!

Mr. McGrath: —and the fact that the House is going into Committee of the Whole, which by its very name implies it is a Committee of the Whole House, would suggest that this would preclude any Standing Committee of the House from meeting at the same time.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, I find myself in a little bit of quandary—

An hon. Member: That is nothing new!

Mr. McGrath: I hope the trained seals on the other side who have no interest in this institution will restrain

themselves. I find myself in a quandary because I happen to be a member of two of those Standing Committees. The Standing Committee on Health, Welfare and Social Affairs is meeting at 3.30 p.m. for a clause by clause examination of Bill C-180, the government's packaging bill. Amendments will be moved to that bill this afternoon. The Standing Committee on Transport and Communications is meeting at four o'clock this afternoon for a clause by clause examination of the CNR financing bill, a subject in which most members of the House have a great deal of interest.

Some hon. Members: Hear, hear!

Mr. McGrath: At the same time, Mr. Speaker, the House will be going into Committee of the Whole to examine clause by clause Bill C-207, the government's organization bill. I have a special interest in that bill and I submit to you, Mr. Speaker, that my privileges as a member of this House are being transgressed by the way the business of the House is organized.

Some hon. Members: Hear, hear!

Mr. McGrath: I think it is about time this matter was resolved, Mr. Speaker; otherwise this institution, as we saw this afternoon, will disappear because it is gradually losing its effectiveness by virtue of the new rules which in my opinion have destroyed the effectiveness of this House. Contributing to that demise of Parliament is the government's roster system which is contrary to Standing Order 5 of the rules of the House. I submit to you, Mr. Speaker, that this is a denial of my rights and privileges as a member of the House, and subject to Your Honour's ruling on this point of order I will be raising a question of privilege and a motion based on it.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to speak on the same point of order. Further to what the hon. member for St. John's East has said, this afternoon the Committee on Justice and Legal Affairs is to meet. As the hon. member said, the House is in a unique position today in that under the new rules we are going into Committee of the Whole. Surely this committee, sitting as a committee of the House, should override and surpass any of the Standing Committees? I agree with what the hon. member for St. John's East said, that it is impossible for this House to do its work properly if Standing Committees are going to meet in this fashion. If the House is in Committee of the Whole discussing an important bill to increase cabinet posts and parliamentary secretaries and the reorganization of many departments, surely these matters are important to the government generally and to Parliament.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to comment on the point of order raised by the hon. member for St. John's East. It is true that there are several Standing Committees meeting this afternoon and it is true that we are commencing the eleventh day of consideration of the government organization bill. However, if the hon. member and his colleagues are seriously interested in the efficiency of Parliament they ought to give some consideration to facilitating the passage of that bill so that we can move on to other important matters.

Mr. Bell: Closure!

Mr. MacEachen: The hon. member complains about the way we organize and run our common business but, as I understand it, each committee sitting this afternoon while the House is sitting has authority from the House to sit. Each committee has to come before us and ask for authority to sit and has received that authority. As Government House Leader I have no authority to determine when Standing Committees shall decide to convene. I realize this is a problem and I certainly have been considering how we can do the business of the House and maintain the importance that ought to be attached to this chamber—

Mr. Baldwin: Tell that to your colleagues in the cabinet.

Mr. MacEachen: —when so many Standing Committees are meeting at the same time. They have the same problem in the British House of Commons, They have established a standing or specialized committee system and are now complaining that it is taking away the importance that should exist in the chamber itself. I am quite prepared to consider any suggestions that can be implemented but I do not believe that the problem arises from any breach of order or ill will on the part of any hon. members. Rather, it is as a result of the general organization that we have adopted and sought and embedded in our rules.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I do not rise for the purpose of taking part in the argument that has arisen but to ask the Government House Leader if he would not like to correct one statement that he made. I realize he was not on the Procedure and Organization Committee when we amended the rules but his statement that each of these committees has come to the House and received permission to sit is not correct. Under our rules as amended, Standing Order 65 (8) states that committees may sit while the House is sitting. In other words, it is a standard provision, not something specially obtained as the minister said.

Mr. MacEachen: I certainly accept that, Mr. Speaker.

Mr. G. W. Baldwin (Peace River): I was going to raise the same point as was raised by the hon. member for Winnipeg North Centre, Mr. Speaker. In addition, I seem to detect in the remarks of the President of the Privy Council a suggestion that he was imputing motives to the opposition—

Some hon. Members: Oh, oh!

Mr. Baldwin: —with respect to the debate on Bill C-207. I think the hon. gentleman has been here long enough, Mr. Speaker, to realize that it is the duty of the opposition to oppose and combat bad and obnoxious legislation.

Mr. Ross Whicher (Bruce): Mr. Speaker, may I respectfully point out that at 3.30 p.m. this afternoon the Committee on Finance, Trade and Economic Affairs is also meeting. However, this meeting is taking place because of the absolute insistence of the Conservative members that it do so.

Some hon. Members: Hear, hear!

Mr. Baldwin: You can never tell from which corner your support will come.

Mr. Speaker: Order, please. I notice that the hon. member for St. John's East seeks the floor. He has already spoken on the point of order. I wonder whether he wishes to speak for a second time on that point.

Mr. McGrath: Mr. Speaker, I really wanted to respond to the request of the Government House Leader to facilitate the business of the House and resolve this problem which has arisen, because the committee of the whole is to sit while standing committees are scheduled to sit. I suggest to the Government House Leader that the meetings of the standing committees of the House ought to be cancelled or postponed while this House sits in committee of the whole.

Mr. Woolliams: I support that suggestion.

Mr. Speaker: The hon. member for St. John's East and other hon. members who have taken part in the debate on the point raised have drawn to the attention of the Chair and of the House that there is a difficulty today in that three or more important committees are to sit at the same time as the House, is sitting in committee of the whole. Hon. members no doubt realize that the House has been sitting in committee of the whole over many years and that, before the new rules were adopted, from session to session perhaps as much as two thirds of the time of the House of Commons was spent in considering matters in the committee of the whole. Even in those days, I am sure that standing committees sat at the same time as the House sat in committee of the whole.

An hon. Member: Not many committees sat.

Mr. Speaker: I may be wrong; I have simply been giving my impression. I am under the impression that we spent most of our time during each session in committee of the whole. Sometimes we spent week after week in committee of the whole. Some of the standing committees of the House must have sat during those debates. I may be wrong; I have nothing before me to confirm that impression which I am conveying to the House but that is my impression.

It is obvious that, according to our Standing Orders, and I think that the hon. member for St. John's East will be the first one to recognize this, what is being proposed this afternoon is permitted. The rules permit the House to sit in committee of the whole and, at the same time, two, three or more standing committees may sit in competition with the House. The President of the Privy Council has made the point that he agrees with the objection raised by hon. members from opposition parties that, really, the work of this House should be concentrated in this Chamber. This is where the accent ought to be and this is where most of the action should be.

An hon. Member: Then, we ought to change the rules.

Mr. Speaker: By permitting so many committees to sit at the same time in competition with the House, and in competition with the committee of the whole, we are complicating our work. In many ways we are weakening, I might say, or diluting the significance of the work which is being done or which ought to be done in this chamber. Although that grievance or complaint might be well founded, the Speaker can do very little about it. The hon. member will recognize that it is the duty of the Chair to see that the Standing Orders are observed. The Standing Orders make it possible for such committees to sit at the same time as the House of Commons sits in committee of the whole. I might suggest that an effort could well be made by the House Leaders to try to arrange the business in some other way so that conflicts such as we are experiencing today will not arise. This having been said I must, from a strictly procedural point, rule that there is nothing the Chair can do to rectify the situation about which hon. members have complained.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I had been trying to catch your eye and was not recognized before you made your ruling. Before the introduction of the new rules, most legislation was considered in this chamber and when we reached the committee of the whole stage, bills were considered in committee of the whole. It was implied when the new rules were being instituted, and this is a matter of record, that various pieces of legislation were to be referred from this House to the standing committees in order that the passage of those pieces of legislation might be expedited. It was implied that the purpose of those various committees was to consider legislation. Hon. members of this House often serve, at their own request, on one standing committee or on another, and it was felt that it would be quite possible for several pieces of legislation to go through the committee stage at one time. Legislation would be considered in committees sitting elsewhere than this chamber.

With respect, I do not think it was envisaged at the time that the anomalous situation would arise that we see today. We did not expect that two or three very important pieces of legislation would require the specialized attention of committees of this House while, at the same time, a piece of legislation affecting the whole future organization of this House and of the administration was being considered. That situation places members in a very awkward position. The question is whether members should be considering pieces of legislation which, by general agreement, may be considered in committees outside the House at the same time as the House in committee of the whole is considering a bill that affects the methods and procedures to be used in respect of future legislation.

I can understand why the Government House Leader is very anxious for the House to put this piece of legislation through, even if a number of hon. members are engaged elsewhere. If it goes through quickly, the government

members can raise their own salaries quickly. I think the situation that has arisen is one to which Your Honour ought to give further consideration, perhaps not at this time but later.

Mr. Speaker: I thank the hon. member for Oxford for his additional suggestions. The point is well taken. To the extent that the Chair can exert influence in such matters, I will be pleased to intervene. I am not sure in what way that can be done. Perhaps I could do it by communicating within the next 24 hours, or even the next few days, with the House Leaders to try to bring about meetings between the House Leaders in an attempt to find an effective way to overcome the difficulty which has been brought to the attention of the Chair.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): On the point of order, Mr. Speaker, the Government House Leader has complained that Bill C-207 has taken too long before the committee of the whole. May I suggest to him that passage of this bill through committee of the whole would be speeded up if he were to make sure that the ministers who are responsible for the various clauses of the bill are present when those clauses are being discussed.

Mr. McGrath: Including the Prime Minister.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We are coming to part II of the bill which deals with the new department of energy, mines, resources and technical surveys. If the minister concerned is not in the House when that part is discussed, how can the government expect the committee of the whole to deal expeditiously with that part of the bill. The same remarks hold true for other parts of the bill which require the presence of the Prime Minister, the Postmaster General, and others. The President of the Treasury Board has been present throughout the discussions on the bill. In his case there has been no difficulty.

I want to make it clear that, so far as this party is concerned, if the minister whose powers are being augmented is not present when relevant clauses are being discussed, we shall insist on those clauses being stood until the minister is present. If the President of the Privy Council wants to speed up passage of this legislation, he ought to urge the ministers whose departments are under review and whose powers are being altered—

Mr. Drury: Augmented.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —or augmented to be present in the House when we are dealing with those particular parts of Bill C-207.

Mr. MacEachen: Mr. Speaker, may I respond briefly to the hon. member's point. I think his point is well taken. I certainly agree that if, at any particular moment, the minister concerned is not in the House, that that part of the bill ought to be stood until he is able to come to the House. That is understood.

In the past, when bills like this were brought forward in the name of the Prime Minister, the various relevant parts of the bill were carried in committee by the various ministers concerned. We hoped to follow this procedure on this occasion and bring in the appropriate minister at the appropriate stage. I regret that on Friday this system broke down temporarily. We were agreeable to standing that portion of the bill until the appropriate minister could come to the House. He is here today and we can deal with that part of the bill.

GOVERNMENT ORDERS

• (3:10 p.m.)

WAYS AND MEANS

INCOME TAX ACT

The House proceeded to the consideration of Ways and Means motions to amend the Income Tax Act.

Hon. Allan J. MacEachen (for Mr. Benson) moved:

That it is expedient to introduce a measure to provide that the surtax imposed on individuals and corporations by Part IA of the Income Tax Act be applicable in the case of individuals to the 1971 taxation year and in the case of corporations to taxable income earned in 1971.

That it is expedient to amend the Income Tax Act to provide that a taxpayer who acquires prescribed property in the period between December 3, 1970 and April 1, 1972 for use in a manufacturing or processing business, shall, for the purpose of computing capital cost allowances in respect thereof and for other related purposes, be deemed to have acquired the property at a capital cost to the taxpayer equal to 115 per cent of his actual capital cost.

Motions agreed to.

* * *

INCOME TAX ACT

Hon. Allan J. MacEachen (for Mr. Benson) moved that Bill C-225, to amend the Income Tax Act and to amend An Act to amend that Act, be read the first time and printed.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

The House resumed, from Friday, February 12, consideration in committee of Bill C-207, respecting the organization of the government of Canada and matters related or incidental thereto—Mr. Trudeau—Mr. Honey in the chair.

The Chairman: When the committee rose on Friday, February 12, clause 6 of the bill with the amendment of the hon. member for Kootenay West was under consideration. Is the committee ready for the question on the amendment?

Mr. McGrath: I rise on a point of order, Mr. Chairman. In view of the fact that three very important standing committees are meeting this afternoon to examine important government bills which requires the presence of members of this House, I move that the committee do now adjourn. I wish to make a correction to put it in the proper phraseology. I move:

That the committee rise, report progress and request leave to sit again.

The Chairman: If the hon. member will let me have his motion in writing, I will be pleased to put it to the committee. Is the committee ready for the question?

Some hon. Members: Question.

Motion (Mr. McGrath) negatived: Yeas, 27; nays, 47.

The Chairman: I declare the motion lost.

On clause 6—*Protection of environmental quality.*

Mr. Harding: Mr. Chairman, when we concluded our last sitting on this particular bill, there was an amendment to clause 6 before the committee which would add the word "national" in front of "objectives or standards" at the top of page three. We feel that this amendment is vital, because if we are to get to the root of pollution problems in this country and cut out the pollution havens, we must have national standards from one end of Canada to the other.

On Friday we had a very lengthy debate on this issue. A number of members on this side of the chamber expressed their views on the need for national standards in Canada. This morning I heard a radio report that the Minister of Fisheries and Forestry, who will be the minister of this new department, was urging some business people to get behind him in the fight to have tough standards. He talked in terms of national standards. He said that this was his objective and this was what the government wanted.

All we are asking is that the phrase "national standards" be included in the act. We are fed up with loose legislation which permits the government to say one thing, but when we get down to the nitty gritty of the legislation we find that it means something else. I suggest that this afternoon the minister should state his views on the type of standards we should have in Canada. I suggest to the minister that we must have the word "national" in this particular clause if we are going to have national standards in Canada.

• (3:20 p.m.)

There is no use saying you are in favour of national standards and then being afraid to put into the legislation exactly what is meant. If we can get some agreement on this issue, I am sure there will be little difficulty in having the clause passed early this afternoon. As I said before, we have had a good debate on this subject. I have expressed my views. This is the only way in which we shall prevent pollution havens from springing up in Canada. The minister has told us he wants this provision to apply nationally. What we are saying is: put it into the legislation and give a clear indication to the Canadian public that this is our objective, and that this is what we intend to achieve. I trust the minister will see fit to use the term "national" in the first line so that we may have national objectives or standards in Canada related to pollution control. If not, I presume there will be additional debate on this clause.

Mr. Davis: Mr. Chairman, I believe very firmly in national standards. I expect that the government will support me and that I shall have the backing of Parliament with respect to national standards. I agree that there must be national standards if we are to avoid the creation of pollution havens. New legislation we are introducing to deal specifically with air, water and soil in this country will make specific reference to national standards. The hon. member for Kootenay West may not have studied the clean air bill which received first reading in this House recently. It makes frequent references to national objectives and national standards; in other words, the language he would have us apply in the case of Bill C-207 establishing this department is used in our new clean air bill.

Earlier, hon. members argued that the new department of the environment should be concerned with environmental affairs which are in some measure the concern of other departments. I would argue that the department of the environment should be concerned not simply with national standards but also, on occasion, with the development and promotion of international standards. My main reason for suggesting that we leave out the word "national" here, but use it in specific pieces of legislation such as the clean air bill, is this: we must not prevent the department of the environment from working with other countries and endeavouring to develop international standards, hopefully projecting our own standards internationally, and that this should not be a job reserved for another department, for example, the Department of External Affairs, simply because the terms of reference of the department of the environment refers exclusively to national standards as opposed, say, to international standards.

I am, however, sensitive to the point which the hon. member is making. He is really asking: Do you intend to leave out the word "national" to permit pollution havens, endorse regional standards, endorse provincial standards and even give federal approval to local standards? This is not the intention. It is not my intention as the responsible minister. It has no parallel in the particular piece of legislation we are about to pass.

Please note that regulations under the Fisheries Act are national. They are not local or regional; certainly, they are not provincial. The Canada Shipping Act is national in its scope, so our standards will be national under that piece of legislation. National health and welfare legislation is national, and our clean air bill was based on this assumption. One might of course allow that it was in the national interest occasionally for the department of the environment at the federal level to encourage provincial governments to develop standards which are province-wide in areas within provincial jurisdiction, so as to promote the adoption of objectives and standards

which, in provincial cases, and I am talking now about provincial jurisdiction exclusively, might be desirable. These provincial standards may not be good enough. Nevertheless they would be desirable if we were raising standards in a provincial area of responsibility. Here is another reason for omitting the word "national".

I do not want to leave the impression that I would undermine national standards. We must have national standards. We must administer our national affairs in a national way from coast to coast. There must be no exceptions. On the other hands, I believe the department, when it is set up, should occasionally be able to move into the international arena and promote international standards. I would also think that on occasion we might do some research, and lend some aid and advice to provinces administering standards which are provincial under the law. I also want to be free to support provinces and municipalities which want to set standards higher than national standards.

In short, I am making a plea for full flexibility in the administration of the department while making it abundantly clear that our own legislation pertaining to the national affairs of Canada and to matters within federal jurisdiction should be national in scope. I think the word "national" should appear again and again in specific pieces of legislation but I do not think it should be included in this particular clause defining the whole range of the department's activities, since it would limit those activities exclusively to the pursuit of national objectives and standards.

Mr. Harding: If I might comment for a few moments—

The Chairman: Order. With respect, I suggest the Chair be given an opportunity to recognize hon. members before they begin to speak. The hon. member for Kootenay West.

Mr. Harding: Thank you, Mr. Chairman. May I make a comment on the minister's statement? I am pleased to hear him say once again that he is interested in national standards, but I want to make it clear that the hon. gentleman is just playing with words. Let him read the clause. He is saying, in effect: Let us leave this wide open so that provinces can set standards higher than national standards. I want to tell him that it is being left open in order that the provinces can set standards which are lower than national standards.

Mr. Davis: Not in areas under federal jurisdiction.

Mr. Harding: Let us go back to the clause. It says the intention is to initiate, recommend, undertake and coordinate programs of the Government of Canada. We are not talking about the provinces but about the government of Canada. And what type of program? Programs which are designed to promote the establishment or adoption of objectives or standards relating to environmental quality of pollution control. We are talking here about federal government programs, and this is why we urge the minister to take another look at this clause. We want national objectives.

[Mr. Davis.]

The minister also maintained that the wording we suggest restrict his work internationally. Well, let him put in the word "international". That is simple enough. Make it "national or international", I don't care. But I believe he is doing a disservice to the legislation, to the general public and to the intentions of Parliament with regard to this legislation unless he agrees to the addition of the word "national" in that clause. I urge the minister once again to accept the new definition. We want national standards. The minister has told us he wants them, too, and that he intends to work toward them.

• (3:30 p.m.)

All we are requesting the department to do is to put this word in the legislation so we have no more loosely worded clauses that could mean anything. Once more, I urge the minister to read over this part of the bill dealing with federal programs. We must be firm and tough in our determination to tell industries, organizations, governments and individuals in Canada that we are aiming for high national objectives, and that these objectives are stated in the legislation. Without this word, the clause can mean anything, which is exactly what it will mean without it in the years to come.

Mr. Baldwin: Mr. Chairman, I have already indicated that I am going to support the amendment, but since the minister is here I should like to ask him one or two questions. I ask them objectively because I realize there are problems the minister has to face. Under our constitution, as it now exists, any federal government would face serious problems in dealing with environmental issues. In this regard, the question is not what should be done. From what I have seen of the minister and from what I have heard him say, I have the feeling he would like to go further than this legislation goes. However, I think he will agree with me that federal jurisdiction is now limited to jurisdiction based on the criminal law. This is the springboard of our jurisdiction, and it does offer only limited opportunities to the federal government.

This morning I was listening to a CBC radio report about some legislation that had just been introduced in the province of Alberta regarding pollution. The legislation provided for regulations to be made. Since the legislation dealt with matters of provincial jurisdiction the legislature was able to provide for regulations rather than simply imposing sanctions. Nevertheless, sanctions are essential. Large corporations and companies, as well as individuals, in Canada must understand that failure to comply with standards of safety in matters dealing with the environment will lead to some form of punishment, such as in the form of a fine. But in addition to this, the right to regulate, which is a very important one, ought to be available and it is very limited at the present time as far as the federal government is concerned. Regulations are only made vis-a-vis the Criminal Code, and it is this which poses great difficulties.

I do not need to elaborate on the importance of this subject. Although I will have a lot to say about other parts of this bill and will raise objection to them, with

that part relating to the environment and attempts—imperfect though they may be—to consolidate all federal legislation dealing with the environment within some over-all authority, I am in full accord. After all, the earth is our home and our only home; we do not know what we will find on the moon or on Mars, so we have no other home to which to go. Consequently, a large number of people are deeply concerned about the permanent damage being done to our environment on earth and at the delays in rectifying the situation. As far as Canada is concerned, I do not blame the minister for these delays.

Eight years ago I was a member of a committee of this House—I believe, Mr. Chairman, you were on the committee as well—that dealt with environmental questions. The committee became involved in a study of the effects of agricultural pesticides and herbicides, and also had an opportunity to study the book "The Silent Spring" written by the late Rachel Carson. I believe this was in 1962, and this book was branded by some as being far too radical.

In light of what we know today, certainly it would not be so considered now. However, at that time some members of the committee thought that Miss Carson had made a very valid case. Her case was buttressed by statistical information and records, and I, myself, think that the committee rather cavalierly dismissed some of the propositions which had been advanced. Since that time there is no doubt whatever that the earth's environment has been even more poisoned by continual use of pesticides and herbicides. Within the last year the government has begun to recognize this, but who knows what incalculable and permanent damage may have been done in the interval? I think it will take generations to discover the effect that these poisons may have on the human species and other living organisms that inhabit the world.

I could give a lot of other illustrations but I do not have the time to give the details of all of these intricate constitutional arguments. In my opinion, if the people of this country had a choice they would want this subject handled in one way by one authority, the federal government, and not by 10 provincial governments. This would not preclude the implementation of policy at the provincial level, just as is the case with our national health and welfare programs. It is probably more logical and sensible that these programs be implemented at the provincial and possibly even the regional level. However, there must be one over-all, overriding, national, policy-making body, which can only be the federal government.

I am convinced that as the people of Canada begin more and more to realize within the next year or two the need for this, the proposition I have put forward will become accepted; and I think the minister feels this way, too. I did raise this question on Friday. The minister has referred to international treaties, and we are now much closer to the point where there must be international obligations in the environmental field. Not long ago I visited the Council of Europe meetings at Strasbourg, and the members of the consultative assembly of that Council have now reached the stage where they are even contemplating discussions with countries behind the Iron Curtain on environmental matters. They have come to realize just what the issue embraces, and since Europe consists of many small countries there must obviously be international standards and controls established.

I think we can assume that in Canada we shall have to enter into international treaties, possibly on a wide scale under the aegis of the United Nations or some other body. I think this country and the United States will probably have to work out some agreements in this regard. But how is the minister or any federal government going to be able to implement international obligations while provincial authorities may be in the position under our constitutional law—though this question has never been tested—of saying no?

I did make this point on Friday but let me repeat it for the benefit of the minister. A great many years ago this country solemnly entered into international obligations with regard to labour standards, some of which fell within the sole jurisdiction of the federal government. These have been implemented. But others have not been implemented, and cannot be implemented until agreement is reached with the provincial legislatures, and this looks unlikely. The United Nations declaration of human rights comes into the same category, and there are a great many other examples to which I could refer.

I am not asking the minister at this stage to set aside the constitution because I know he cannot do so. There are some who say that if the constitution is a difficulty, let us simply override it. I recall a case I had years ago when, as a young lawyer practising in the Peace River country, I defended a man on a charge of stealing a pig. He was not guilty. I never defend clients who are guilty and I should like you to know that. The evidence was bad and it appeared as though the accused was guilty. However, this distinguished judge, Mr. Justice Noel, even after he had found him guilty, sentenced him to a short period of incarceration. The Crown prosecutor said: "How can you do that?" And His Honour said: "It was such a little pig". I make that comparison because this matter involves a problem the minister must tackle. He must also obtain the support of his colleagues and members of this Parliament.

• (3:40 p.m.)

I do not want to initiate a provincial test, but I feel that in the final analysis there is only one jurisdiction which can deal with these matters, and that is the national jurisdiction. It must deal with these problems in co-operation with provincial legislatures with the greatest possible scope for provincial and regional implementation. We must set as our goal the objective of obtaining complete national control in respect of this important issue. We must decide on a national basis whether this world is going to survive and provide a decent place for human beings to live.

Mr. Skoberg: Mr. Chairman, I recently attended a meeting of a Moose Jaw organization and I am sure the minister will have paid close attention to the number of briefs presented at that meeting. These briefs were directed towards the adoption of national standards.

These organizations believe if there are not national standards, the municipalities and the provinces will pay less attention to pollution standards than they might if there were a national policy in effect.

One of the important elements that came across at this hearing was the fact that the nation requires national leadership in respect of pollution control. Let me use as an example some of the municipalities which have in the past adopted municipal regulations. When they were asked to enforce their regulations they were confident that they would have the co-operation of the various industries involved. I am sure everyone here is aware of this situation. At the same time, I think the municipal or provincial people would deny that there should be this type of national legislation in this field, although they admit that there should be this type of leadership.

I can't understand why the minister refers in the same terms to the clean air act and to the national emission standards act, about which he spoke a while ago. It would seem to me that if he is prepared to put the national emission standards act and the clean air act before the House, this means that we are taking over the destiny of our own country as far as clean air is concerned. By the same token, we should put the word "national" in clause 6 of this bill.

We find that now we are talking about a national clean air act, and if we leave out the word "national" we will have a lot of people complaining about the reference to two separate acts. I still fail to understand why the minister would suggest that it would be difficult to include the word "national" in this bill as suggested by the hon. member for Kootenay West. I suggest that we included the word "national" in the clean air act we should include it in this measure in order to make this clause clear. It seems to me that control of air pollution internationally is as important as control of any other kind of pollution internationally or nationally.

The Chairman: Is the committee ready for the question?

Mr. Bell: Mr. Chairman, I should like to ask the minister to give us some information in respect of the observations that were made yesterday during a very eloquent speech by the Minister of Transport. He said we should draw a happy balance between correct industrial growth and pollution control. I noticed that he threw out a challenge to engineers and the news media for assistance in securing a moral approach by industry. I am wondering whether he anticipates a danger of an over-reaction in respect of this whole business of ecological control, or whatever the correct term is.

I feel that in Canada we should appreciate the fact that in the United States, at every level of government, there does not seem to be the slightest attention being paid to port and industrial development. They seem to have gone wild in this area of ecological pollution control. It is impossible to obtain an orderly industrial development program. I should like the minister to take a minute or two to express his views on this aspect. Will it be possible for Canada to regulate pollution control in respect of industrial development. We are aware of great industrial growth and the continuation of this growth. I hope we do not lose everything in our mad dash to set up these controls.

I should like to ask the minister whether he has any thoughts in this regard, and whether he has a policy for the education of people, so we do not build up in our minds a fear which will prevent us from sitting down for a moment and thinking over a sensible approach to this pollution control problem. In eastern Canada, we are interested in port development and industrial growth. We believe in pollution control but, at the same time, we want to strike a happy balance such as the Minister of Transport referred to in his eloquent speech yesterday. I hope the minister will indicate that there will be an educational program to prevent people in this country from over-reacting to this whole business.

Mr. Davis: Mr. Chairman, the hon. member for Peace River has quite rightly expressed the fact that the people of Canada are looking to the national government for leadership in the battle against pollution. I think it is up to us in this Parliament and this government to provide that leadership. The hon. member raised one difficulty, if I might call it that, which is the result of our present constitution. He referred to the possible difficulty of implementing international treaties entered into by the government of Canada with governments of other nations. To paraphrase his words, he suggested such treaties might not be enforceable because the provinces have certain powers of their own which are not enforceable by the federal government.

The hon. member may not have read the press release on policy from the last federal-provincial conference, but there was a federal proposal to the provinces which has been studied by the provinces on which there was some acceptance. The federal proposal involved a concurrency of powers in respect of environmental control. If the proposal made by the federal government was adopted by the provinces, it would help to clear up two difficulties; one involving the enforcement of legislation for the protection of the environment stemming from international agreements treaties. The other would help to clarify interprovincial boundary situations, which I gather are also uncertain from a legal or constitutional point of view in this country.

In other words, a proposal has been put forward by the federal government which has been considered at a federal-provincial conference, and which will again come up for review in June, 1971. We are looking at it from a national point of view, from the point of view of enforcing high standards interprovincially right across Canada, and also internationally in a binding way as between Canada and other nations.

• (3:50 p.m.)

The hon. member for Moose Jaw stressed the need for national standards and international standards. I agree 100 per cent with everything he said in that regard. He asked how we might project the new clean air bill into the international arena. Given flexibility in the terms of reference of the new department of the environment we

can attempt to promote internationally pieces of legislation which we are imposing nationally in this country. He at least urged the inclusion of the word "international" with the word "national" in his amendment. I would prefer, however, to leave this matter open in the terms of reference of the department and make it quite specific in particular pieces of legislation such as the clean air bill.

The hon.. member for Saint John-Lancaster asked about over-reacting to the problems posed by pollution, the tendency to hold back job producing industries and to discourage perhaps economic growth in the guise of protecting the environment. Personally, I think with more care and more attention, we can have both economic growth and a clean environment. I know of a number of cases where properly designed plants have been more economic, more profitable and better able to pay high wages than others which were designed a few years earlier without any regard to the environment.

New pulp mills meeting our national standards and regulations under the Fisheries Act, for example, are perhaps faced with an increase of 2 per cent in the cost of new plants and less than 1 per cent in the cost of the product, but these costs are common to all new mills across Canada and, increasingly, to new mills built in other countries such as the Scandinavian countries which are beginning to adopt our new techniques. Eventually, the rules governing this industry will be the same the world over.

So, while these costs may be significant, though not large, they will be common the world over. They will not affect our competitive position. They will help preserve our environment and make other industries feasible in the nearby localities. In other words, we can have what the Minister of Transport envisaged as the best of both worlds, economic growth and a clean environment as well.

Mr. Baldwin: Mr. Chairman, in my view it is encumbent on every member of this House to become articulate and vigorous in supporting this proposal. Irrespective of where we sit in this House, it is our duty to do so. I am glad that these two ministers are in the House. The Minister of Public Works also took a position of this kind when he held another portfolio. I think there is a responsibility on the members of this House, and on the people who report what is said in this House to arouse, not inflame, public opinion in a reasonable way in respect of support for the proposal contained in this communiqué. That is the reason I spoke as I did. I am convinced members of our party will support that particular aspect—other members may debate other aspects—of the proposal and what is contained in the communiqué. There will be co-operation to the fullest extent, and I seek the same co-operation from all parties in the House.

Mr. McGrath: Mr. Chairman, since I was absent attending another committee meeting, perhaps this question has already been put and, if so, it need not be answered. Does the minister foresee any difficulty in respect of jurisdiction? I am thinking now of the fact that some provinces have set up their own legislation. I know the province of Newfoundland established a clean air and water authority with appropriate legislation. Will there be any duplication of effort and are there any jurisdictional problems? If so, have these jurisdictional problems been resolved? Is there any working mechanism to be set up within the department so that both the federal and provincial authorities may work harmoniously toward a common objective?

Mr. Davis: Mr. Chairman, the simple answer is that with divided responsibility in a federal country there are bound to be some difficulties. I think in this area of pollution control there are fewer difficulties than in other areas where there have been old disputes and a host of vested interests. In my travels across the country and in my discussions with ministers in the provinces having responsibility for the environment, there has been a willingness to talk about these matters and a willingness to work out standards which would apply right across Canada and project outside Canada. There has been surprisingly little concern about local problem areas, about constitutionality, about provincial boundaries, jurisdictions and old department names in our effort to start afresh in this field.

I could perhaps give an example. Currently, we are developing a national standard under the Fisheries Act. Representatives of the provinces have joined us in a national task force. The pulp and paper industry has supplied several experts. The task force has travelled to Scandinavia and the United States. It is developing one set of standards for pulp mills. A draft of the regulations will be sent to the provinces for comment. We will publish them nationally. We will listen to critical comment, but co-operation is the rule and the tendency is to enforce the highest standards. The various mills which have already put these standards into effect are having no trouble operating, Mr. Chairman.

Mr. Harding: Mr. Chairman, I have one or two brief comments to make on the amendment before us. It is obvious to me that the minister and the government are prepared to leave the objectives and standards in respect of pollution open to negotiation. No other interpretation can be taken from the legislation which is before us. The mere fact that the government has refused to accept the amendment is a clear indication that we will have different standards in different parts of this country. It is the same old story we had last year when the Canada water bill was before the committee. We could not get national standards. Now, apparently the minister accepts the view that the national standard issue should not be established in this bill. I am disappointed. However, we have had a good discussion on the amendment and I should like to see it come to a vote. I am disappointed in the minister and his approach to this particular amendment. This legislation is meaningless. It can mean a lot or nothing. This is not the type of legislation we should be placing on the statute books of Canada.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: The question is on the amendment to clause 6. I will read the amendment because it is now three or four days since the committee last dealt with it.

• (4:00 p.m.)

The hon. member for Kootenay West moved:

That clause 6, subsection (a) of Bill C-207 be amended by adding thereto on page 3, line 1, the word "national", so that line 1 will read "or adoption of national objectives or standards".

The question is on the amendment.

Amendment (Mr. Harding) negatived: Yeas, 11; Nays, 34.

The Chairman: I declare the amendment lost.

Clause agreed to.

Mr. Harding: Mr. Chairman, I think clause 5 has been stood. I am wondering whether you intend to go back to that clause now.

The Chairman: If hon. members agree, we might deal with clause 7 and then go back to clause 5. There is an amendment to clause 5 before the committee. Is it agreed that we deal with clause 7, and then go back to clause 5?

Mr. Crouse: Before clause 7 is carried, may I ask if it is the intention of the committee to go back not only to clause 5, to which there is an amendment, but also to clauses 1 and 2 which have been stood? The hon. member for St. John's East has an amendment that he wishes to move to clause 2 of the bill. So, from a procedural point of view I should like to have some guidance as to whether we will deal with that amendment this afternoon or whether it is the intention of the committee to proceed with the entire bill before going back to clause 2.

The Chairman: It has been the Chair's understanding that once we dispose of clause 7 we might go back to clause 5 to which there is an amendment, and then proceed to clause 2. We would then have completed that part, subject to returning to clause 1 later. I understand that, in the normal course, we would complete the other parts of the bill and return to clause 1 at the end.

Mr. Baldwin: Has not clause 2 been stood?

The Chairman: The suggestion I am making to the committee is that we deal with clause 5, when clause 7 is carried, and then go back to clause 2. Clause 1 relates to the whole bill, so we would deal with it as the last item. When we dispose of clause 2, we will have disposed of this part of the bill. Is this course agreeable?

Some hon. Members: Agreed.

On clause 7—*Annual Report.*

The Chairman: Is clause 7 agreed to?

Some hon. Members: Agreed.

Clause agreed to.

On Clause 5—*Duties of Minister*

[Mr. Harding.]

The Chairman: An amendment was moved to clause 5. The hon. member for Kootenay West moved:

That clause 5 of Bill C-207 be amended by adding thereto next after line 37 on page 2 a new subsection (h)
(h) pollution prevention and control

Mr. Harding: When the clause was stood several days ago, the President of the Treasury Board indicated that the government wished to see whether or not it could accept the amendment. Possibly the minister could indicate whether or not it is acceptable, and if it is, I do not think there will be much more discussion on it. This is the position in which we found ourselves last time the clause was debated, and possibly we should hear from the minister now.

Mr. Davis: The proposed subclause (h) adds an additional responsibility of the minister of the environment, namely, pollution prevention and control. I believe that this, in more restrictive words, repeats much of the intent of the preceding and presently worded subclause (e), the protection and enhancement of the quality of the natural environment, including water, air and soil quality. Subclause (e) is couched in broader terms. I might also describe those terms as clearer. We talk about quality in subclause (e). In the amendment, which would add a subclause, reference is made to pollution prevention and control. I think the words "environment and quality" are more generous, more positive, than the words "pollution prevention and control". I suggest that to add this subclause is redundant and also restrictive. For that reason, I urge that the proposed amendment which would add a subclause with the words "pollution prevention and control" be rejected.

Mr. Harding: I moved this amendment and I will briefly outline again my reasons for doing so. I think members of the committee should realize that the bill before us, which sets up a new department of the environment, does not cover all environmental problems in the nation. I believe that this is wrong. If a department is going to deal with environmental problems, nothing should be excluded. I gave as an example a large portion of northern Canada, which is 40 per cent of the total land mass of our country. We have land use regulations for that northern area which are going to be administered by the Department of Indian Affairs and Northern Development. We have the Arctic Waters Pollution Act which establishes a pollution control zone in the Arctic area. This zone is not included in this bill. Does the minister mean to tell me that the protection of this area is not part of the job of protecting the Canadian environment? Just how nonsensical can we become? If we are tackling environmental problems, let us tackle them with a central organization about which a number of members have spoken in this debate.

We are trying to make sure that the minister has the right, for example, to move into our northern territories if pollution control and prevention are needed.

Mr. Davis: How does the hon. member's amendment do that?

Mr. Harding: It is obvious that this amendment will add to the area over which the minister has jurisdiction. I want to say the minister should be proud that we are trying to give him firmer control over environmental problems in Canada. We are not trying to cut down the work of the department. We want to make it more effective, and we think this amendment will enlarge the scope of activities of the department.

Again, I say that we have covered this before. I point out to members of the committee that it makes common sense, if we set up a department of the environment, to let it do the job for all of Canada. One of our big troubles in the past has been divided jurisdictions, one department doing one job and another department doing another. There has been a lack of co-ordination and a host of legislation on the statute books which has never been enforced or only to a very limited degree. This is what we are trying to avoid and this is why I am suggesting that the new department of the environment be all embracing. This, in effect, is what this amendment will do and I am going to suggest that the House accept it.

• (4:10 p.m.)

Some hon. Members: Question.

Amendment (Mr. Harding) negatived: Yeas 10, nays 28.

The Chairman: I declare the amendment lost.

Shall clause 5 carry?

Some hon. Members: Carried.

The Chairman: The hon. member for Wellington-Grey-Dufferin-Waterloo.

An hon. Member: Oh, come on.

Mr. Howe: Mr. Chairman, the hon. member who interjected is one of the members who should be on his feet talking about this problem in relation to Lake Erie. The municipalities in that area are going to be in trouble because they have to find the $30 million with which to buy the nutrient removal equipment that has to be added to sewage disposal plants. There are several members in this House who should be on their feet speaking about this question and I do not know why they are not putting more pressure on the minister to do some of the things that I feel he should be doing.

An hon. Member: Give us the bill.

Mr. Howe: Let's put some formula in the bill which will make it worth while. Mr. Chairman, the last time I spoke on this bill the minister in charge of housing was in the House and I asked him this question: In the new estimates for CMHC, how much of the budget is going to be directed towards helping the municipalities improve sewage treatment facilities? I understand that since then an announcement has been made, but I have not been able to find it. I wonder if the Minister of Fisheries and Forestry could tell me just how much of this budget for CMHC is to be spent this year in assisting municipalities to improve their sewage treatment facilities. Have there been discussions on what the figure is for this year?

Mr. Davis: Mr. Chairman, I hesitate to answer because I do not know whether an announcement has been made. I have discussed it with the minister in charge of housing and also the minister for the province of Ontario. A larger sum of money is allocated both nationally and to the province of Ontario. We are also looking at the possibility of mounting a special program, yet to be delineated, which could follow from recommendations of the International Joint Commission for the cleanup of Lake Erie. I have asked the Hon. George Kerr of Ontario to come up with a set of cost estimates. These additional requirements might be considered as additional to anything that has been announced so far by the minister responsible for housing.

Mr. Howe: Mr. Chairman, do I take it that, over and above the amount that is going to be given for local sewage treatment programs, the federal government is willing to help with that $30 million that is going to be required to put in the nutrient removal equipment?

Mr. Davis: I have asked the Hon. George Kerr for the figures, Mr. Chairman. When these are received I will take the matter to the government and it will be given serious consideration.

Mr. Howe: Now, Mr. Chairman, the question I keep asking in connection with this water development program is, what is the formula going to be. The commissions and the authorities looking after these river basins should have some idea when they start to plan how much assistance the federal government will provide. I think it is essential that there should be some indication of this by the federal government, as there was in the old water conservation assistance program. These people know what is needed for the Grand River and the Speed River, and all the areas that have problems.

In his speech the minister mentioned the necessity of private industry doing more for itself in this area. But private industry is not able to, Mr. Chairman. The time is now. By increasing the flow in a lot of these rivers and using other proper water management methods, we will be able to carry forward until the time when these companies can recycle their effluent and disposable waste. At the present time they do not have the technical knowledge to go forward. They do not know how to go about recycling their waste.

Probably some members read a suggestion in the *Globe and Mail* this morning outlining how paper can be made into cattle fodder with molasses and minerals added. Then, compost can be made from the manure. These things are important, Mr. Chairman, in relation to these particular environmental problems. I have a book here entitled "Garbage As You Like It". It has some very outspoken and new ideas on composting and things that can be done with garbage. Garbage will also come under the clean air bill because part of the air pollution of cities comes from the burning of garbage.

I hope the minister will give serious consideration to the formula which I think is so essential in the areas of water control and water management. Probably each should be treated differently, but if there were some base it would give encouragement to those people who have spent years studying water basins. They should be assisted in every way possible by every level of government. If the department had a base formula, it would be of tremendous assistance to them in trying to carry out the programs on which they have been working for so many years.

The Chairman: Shall clause 5 carry? The hon. President of the Treasury Board.

Mr. Drury: Before it carries, Mr. Chairman, my attention has been drawn to the fact that in line 17, page 2, the French translation does not reflect exactly what is meant.

An hon. Member: It never did.

Mr. Drury: The French version—perhaps I should not say English translation or French translation—

Mr. Paproski: You will screw it up anyway.

An hon. Member: What was that word you used?

Mr. Paproski: It is better than the one the Prime Minister used.

Mr. Drury: The English version reads "non-domestic flora and fauna". "Non-domestic" and the term in French "non indigènes" are not quite the same. I move that we change the French version to substitute for the words "non indigènes" the word "sauvages". It would now read: "la flore et la faune sauvages".

Mr. Baldwin: Does that include the cabinet?

The Chairman: The committee has heard the amendment to clause 5. Shall the amendment carry?

Some hon. Members: Agreed.

Clause 5 (as amended) agreed to.

The Chairman: The committee will now consider clause 2.

On clause 2—*Short title.*

Mr. McGrath: Mr. Chairman, I have an amendment to clause 2 which relates to what will happen to the Department of Fisheries and Forestry and the special responsibility that the minister has in relation thereto. Since the present minister took over the responsibilities that he now has, I think it is only fair to say that the Department of Fisheries and Forestry has come into its own.

Some hon. Members: Hear, hear!

• (4:20 p.m.)

Mr. McGrath: I do not mean to diminish in any way the importance of this department in the past because, indeed, it is one of the great federal departments of the government of Canada. It is one of the oldest, if not the oldest, departments. Prior to the administration of the present minister, the department always seemed to emerge in the scheme of things as the poor, black sheep, if you like, of the government. It never received the recognition it deserved from either the minister or the House. The minister has done a great deal to change all that.

Mr. Laing: Which minister is the hon. member talking about?

Mr. McGrath: I am talking about the Minister of Fisheries and Forestry and about clause 2 of the bill.

Mr. Laing: I thought that the Department of Public Works had the record for being the best department.

Mr. McGrath: Mr. Chairman, I will extend the same accolade to the Minister of Public Works when he accepts some of the many requests which are pending from my constituency.

An hon. Member: Touché.

Mr. McGrath: Mr. Chairman, the minister is a good Minister of Public Works.

Some hon. Members: Hear, hear!

Mr. Drury: Flattery will get you nowhere.

Mr. McGrath: It is true that down through the years the department of fisheries did not receive the recognition it deserved from the government of Canada or the Parliament of Canada. The present Minister of Fisheries and Forestry took over that department and brought to it new vitality. Of course, he was aided and abetted by Members of Parliament from the Atlantic provinces, not the least among whom are, I suggest with great humility, the Members of Parliament from Newfoundland. Through the coincidence of events involving the election of 1968 and the appointment of the minister to head that department, the department of fisheries finally came into its own. The department was given a new lease on life and began to envolve new and meaningful policies which gave new hope to this long down-trodden and sometimes forgotten industry. Today that industry in eastern Canada is in a relatively healthy state; it is certainly healthier than it has been for a long time. That is a direct result of policies which have emerged from the application of the expertise and knowledge of the minister, advice that has been tendered in this House and consultations which the minister has engaged in with individual members and with the Standing Committee on Fisheries and Forestry.

Some hon. Members: Hear, hear!

Mr. McGrath: In the new scheme of things, the new department is to have a sexy name and the minister is to have sexy responsibilities. This, after all, is a very attractive proposition.

Some hon. Members: Oh, oh!

Mr. McGrath: Everybody is talking about pollution. It is very much in vogue; it is very much the "in" thing.

We are concerned that with this new state of affairs, the special responsibilities of the minister relating to the fisheries of Canada will be forgotten. That is not an idle suggestion. It is based on concern that is being expressed in this House, in the Atlantic provinces and, I suspect, in the minister's own province of British Columbia.

I put on record during the debate on the second reading stage of the bill statistics supporting my contention that the fishing industry is important to the people of Canada and to the economy of Canada. That industry is of special importance and significance to the Atlantic provinces, to the Gaspé coast of Quebec and, perhaps to a lesser extent, to the province of British Columbia. Although it is important in that province, it is not quite as important there, in the over-all scheme, as it is to the economy of Atlantic Canada. The industry is important on the inland waters of Canada; I am thinking of the Great Lakes fisheries and the western freshwater fisheries. It is very important to the over-all economies of those regions. It generates substantial moneys for our balance of payments and pumps millions of dollars annually into the economy of Canada. Parliament has recognized that it has special responsibilities in this area and hence there has always been a department of fisheries, presided over by a minister whose prime and indeed sole responsibility has been the fisheries of Canada. In this case, the Minister of Fisheries and Forestry has that responsibility. Under this legislation, the name "Fisheries" is to be dropped. For the first time since confederation, there will not be in Canada a department of fisheries. The new department is to be the department of the environment. It is only natural that, as the name disappears, so the relative importance of the fisheries end of the department will diminish as a consequence. That is what concerns us; and it is a genuine concern.

I expect that the minister will reply by saying that so long as he is the minister of fisheries, this will never happen. I believe him. I believe that will be the case so long as the minister retains this responsibility. I believe that he will always give his prime attention to the fishing industry of Canada. Yet, he will not always be the minister of the environment, and therein lies the difficulty. He may very well be succeeded by somebody who is not interested in the fisheries of Canada, either on the west coast or the east coast. The new deputy minister has had no experience or connection with the fishing industry on either of the coasts of Canada. I think it is regrettable that the committee did not accept the amendment of the hon. member for South Shore to add two Deputy ministers to the department. The very same arguments that can be advanced for appointing two deputy ministers can be advanced for retaining the word "fisheries" in the name of the new department.

I put to the members of the committee and to the Minister of Fisheries and Forestry this proposition: what would be wrong with calling the new department the department of "fisheries and the environment" or, if you like, "the department of the environment and fisheries". Either one would be acceptable. Either name would allay our fears, because we are afraid that the special responsibilities that Parliament has under our constitution with respect to the fishing industry will be diminished or forgotten.

There is ample precedent for including or retaining the name of the old department in the name of the new department. For example, previously there used to be the department of industry and the department of trade and commerce. Those departments were merged and became the Department of Industry, Trade and Commerce. I am sure that the old name was retained in the new to make sure that the special responsibilities of the government in promoting industry in this country would not be forgotten.

Going farther, we note what happened with respect to the Department of Energy, Mines and Resources. It is the successor to what used to be the department of mines and technical surveys. You will notice that in the new name of the department the word "mines" was retained, for the reason that the special responsibilities of the federal government with regard to natural resources of Canada and the exploitation of those resources had to be kept to the fore. Then, there was established the Department of Indian Affairs and Northern Development which deals with equally important responsibilities under our constitution, both of which are spelled out in the name of that department. The same arguments could apply to the Department of National Health and Welfare. The Department of Consumer and Corporate Affairs exercises two separate jurisdictions or responsibilities, each of them being equally important and each of them being spelled out in the name of the new department, to make sure that the minister will not lose sight of his responsibilities either in the field of consumer affairs or in that of corporate affairs.

The same arguments apply to the Department of Supply and Services and to the Department of Manpower and Immigration. The name of the department delineates the responsibilities of the minister. There is the Department of Fisheries and Forestry. The department of forestry was created, and subsequently the government decided to merge it with the Department of Fisheries. There were valid reasons for merging the departments of forestry and of fisheries; yet the name of the original departments was retained. The new department became the Department of Fisheries and Forestry. Consequently, I ask, why cannot we ensure that the new department will retain the word "fisheries" in its name? That would not diminish in any way the concern of the House and of the people with respect to the environment and the steps which must be taken to protect it. The name should be changed in order to ensure that the minister or any subsequent minister who will follow him will not forget the special responsibilities that Parliament must exercise in relation to the fishing industry of this country.

• (4:30 p.m.)

I submit these arguments are reasonable, Mr. Chairman. I hope the minister will see fit to accept the amendment which I now submit for the approval of the committee. I move:

That clause 2 of Bill C-207 be amended by striking out the words "Department of the Environment" where they first ap-

pear, immediately after clause 1 on page 1 thereof, and substituting therefor the words "Department of Fisheries and the Environment" and similarly thereafter in the Bill and Schedules thereto wheresoever the words "Department of the Environment" appear; and, consequential thereupon, that the words "Minister of the Environment" be struck out wheresoever in the Bill and Schedules thereto the same appear and the words "Minister of Fisheries and the Environment" substituted therefor.

The Chairman: Order, please. The Chair has some reservations about the amendment. I have two reservations which relate to the procedural aspect. If the committee adopted this amendment, it would require the amendment of clauses of the bill that have already been dealt with by the committee. That is one aspect which comes immediately to mind. The other is not that important, but I will mention it. There is a reference with respect to amending short titles at page 560 of May's seventeenth edition. It reads:

The title can only be amended if the bill has been so altered—

In this particular case, we should read: "if the part has been so altered" because we are dealing with Part I.

—as to necessitate such an amendment; but any amendment to the title that may be necessary is made.

I think in this case the amendment is not necessary in the sense that May refers to it. He further states:

—an amendment . . . has been permitted to be made in the standing committee . . .

On that point, I also notice in clause 5(a), the minister would have authority with respect to the seacoast and inland fisheries. In my mind, unless hon. members on the government side want to argue it, I am prepared to accept the amendment with respect to clause 2. However, I have reservations as to whether we can now go as far as amending clauses which have already been adopted by the committee. I just throw out these suggestions. They might serve the purpose of the hon. member who moved the amendment. Subject to what hon. members have to say, I will accept that part of the amendment which reads:

That clause 2 of Bill C-207 be amended by striking out the words "Department of the Environment" where they first appear, immediately after clause 1 on page 1 thereof, and substituting therefor the words "Department of Fisheries and the Environment".

I suggest to the hon. member that if this part of the amendment serves his purpose it would be acceptable to the Chair at this point, subject to what other hon. members may have to say.

Mr. McGrath: May I just point out that Your Honour's qualification of the amendment is acceptable. I will be pleased to move it in that form.

Mr. Crouse: I rise to speak briefly in support of the amendment.

The Chairman: Order, please. I apologize for interrupting the hon. member. Before he speaks to the substance of the amendment, other hon. members should have the opportunity of speaking to the procedural point. If no member wishes to do so, the Chair is prepared to accept the amendment, as amended, with the consent of the hon. member for St. John's East.

Some hon. Members: Agreed.

The Chairman: The amendment is accepted.

Mr. Crouse: I rise to speak briefly in support of the amendment moved by my colleague, the hon. member for St. John's East. As the committee is aware, during previous discussions on this bill dealing with clause 4, I moved an amendment to appoint a deputy minister of fisheries who would be entirely responsible for fisheries matters. That amendment was overruled by the committee.

I share the concern of the hon. member for St. John's East that the department of fisheries will be swallowed up by the new department of the environment, with a consequent loss of identity to this important primary industry in so far as Canada is concerned. If it were not for the fisheries, Canada may never have been discovered. It was the prolific supplies of fish, particularly codfish, off the Atlantic coast of Canada which encouraged the French, English and many other nationals to come to this country to pursue the fishing industry. If it had not been for the prolific cod fishery off eastern Canada, we would never have known about such romantic ships as the *Gertrude L. Thibauld,* skippered by Captain Ben Pine, or the *Bluenose* captained by Captain Angus Walters, or the famous International Schooner races held off the coast near Lunenburg, Nova Scotia. Perhaps, we would not now have a replica of the famous sailing ship *Bluenose* on the back of our ten cent piece.

An hon. Member: Or the Newfoundland members of Parliament.

Mr. Crouse: Someone has suggested that we may not have the Newfoundland members of Parliament. That would be a tragedy. There is a great deal of tradition, romance and history associated with the department of fisheries. The federal government has jurisdiction over this resource under the British North America Act. The department has been known as the Department of Fisheries and Forestry and the department of fisheries and marine since confederation. I express genuine concern about its demise.

By phasing out this department, some of our problems may not be thoroughly investigated by a minister known only as the minister of the environment. By phasing out the department of fisheries and no longer having a minister of fisheries by that name, I believe we will lose a certain amount of advertising value which is essential to our fishing industry. I say this because this industry is now going through very troubled times. As hon. members are aware, this industry is suffering from incidents of mercury poisoning which have been found in the larger species of fish, mainly tuna and swordfish. We are also suffering from a decline in fish stocks which has resulted in a serious problem for the industry, particularly in Nova Scotia. Important decisions must soon be made on behalf of our fishing industry at an international conference to be held sometime in 1972. We need a representa-

tive at this conference who is knowledgeable on fisheries matters and who has the entire industry at heart, otherwise the discussions will bog down on questions of jurisdiction over seabed minerals while pollution control and the preservation of fisheries resources become issues of a secondary nature. This must not be allowed to happen.

• (4:40 p.m.)

We learned only recently that no progress has been made in talks between Canada and the United States to establish the median line which crosses Georges Bank and which should be an international boundary line dividing this section of the offshore banks between Canada and the United States. This boundary was established at the 1958 Geneva convention on the continental shelf on the basis of the median line between neighbouring coasts being the international boundary.

Since 1964, we have seen Ottawa issuing seismic exploration permits covering the northeast corner of the bank to a number of oil companies. But this begs the question. Is Ottawa following the proper course? If oil is discovered on Georges Bank, who will own this resource, Canada or the United States? Who will collect royalties if oil is found? Then again, if a major mishap occurs followed by an oil spill, who will clean up the mess? Who will pay for cleaning up the oil and which government will reimburse our fishermen for the losses they incur as a result of oil polluted waters? Will it be Canada or the United States? These are all very important questions, and they are questions which can only be resolved by an alert minister of fisheries, since obviously the Secretary of State for External Affairs is asleep at the switch, incapable or unable to reach agreement with the United States with regard to them.

Another area of concern is the thorny fisheries dispute involving Canada and the government of France which owns the islands of St. Pierre and Miquelon. In 1964 Parliament passed the Territorial Seas and Fishing Zones Act establishing a 12-mile limit off Canada's east coast. The Secretary of State for External Affairs at that time, the Hon. Paul Martin, told this House that the terms of the legislation were to be implemented as soon as possible. Well, they have not been implemented yet. It is true bits and pieces have been put into effect, and I will not detract from the efforts of the Minister of Fisheries and Forestry. I think he is giving of himself in a manner unlike that of any previous Liberal minister of fisheries. He has worked hard at his job, but his job is a very complicated and difficult one.

Mr. McGrath: And now he is giving it up.

Mr. Crouse: And now, as my hon. friend from St. John's East says, it appears he is giving it up. These are situations which concern us. As I said, the legislation passed in 1964 has not been fully implemented and at the rate we are going our fishermen will have a new understanding of the meaning of the word eternity. I would ask the minister this question: is the median line the bone of contention in the dispute between Canada and France? I refer to the line which is in dispute between Canada and the United States as it crosses Georges Bank? This is a question which affects our territorial rights and fishing zones vis-à-vis the French islands of St. Pierre and Miquelon. This is an important point and one which must be resolved, because the Secretary of State for External Affairs has indicated to us that Canada accepts the median line as the dividing line between Canada and the United States where it crosses Georges Bank. Are we being hoist on our own petard if we accept that median line as the dividing line, the international boundary line, between Canada and the United States? Do we accept this as the dividing line between Canada and the French-owned islands of St. Pierre and Miquelon?

If so, I should like to know whether the median line is the dividing line accepted by the French government. If this is the case it would appear we are issuing seismic survey permits and oil drilling permits with respect to sections of the continental shelf which may well be claimed by France. These are some of the questions which the present minister of fisheries has been unable to resolve. These are problems which have been given the brush-off by the Secretary of State for External Affairs. Oh, he goes to international conferences, but when he returns and we ask him whether he has consulted with the French with regard to these and other matters he tells us he has not had the time. And when we ask him what progress is being made with regard to them he says they are still under discussion. This is not good enough.

What about our swordfish industry? The United States food and drug directorate has established a rule that five parts of mercury per million is a tolerable level of mercury but that no fish containing more than this amount of mercury is acceptable as an import into the United States. I know the minister has made representations to the United States authority to ascertain whether this standard could be relaxed in order that we might retain our swordfish industry. Some 50 ships will be tied up on the south shore of Nova Scotia alone as a result of these developments, throwing 300 men out of work through no fault of their own. These men are desperately seeking an alternative form of employment. Here again is a matter which should exercise the concern of a minister of fisheries who has no other duties but to look after this particular primary industry.

Speaking of mercury pollution, another question occurs to me. Has the same level for fitness for human consumption been set for tuna, for example? If so, does cooking the tuna lower the mercury content? Swordfish are sold fresh. Could they be processed in any way so that this delicious seafood could once again be made acceptable?

I could go on for another hour talking about the fishing industry—

Mr. Knowles (Winnipeg North Centre): Private Members' Hour begins at five o'clock.

Mr. Crouse: —but I am reminded that Private Members' Hour is approaching, so I shall not detain hon. members further at this time. But for the reasons I have given, I am happy to support the amendment which has been moved by my hon. friend from St. John's East. I

hope that in the interests of maintaining the traditional name of the department and its association with the fishing industry the amendment will meet with the acceptance of this chamber.

Mr. Lundrigan: Mr. Chairman, this is a simple amendment and I am sure it will meet with no opposition from the minister of fisheries or his friends on the government benches. After all, it does little more than give due recognition to an industry which is of great importance to eastern Quebec, four Atlantic provinces and British Columbia. A little more than a week ago, my hon. friend from the south shore of Nova Scotia moved an amendment which would have meant the appointment of a full-fledged deputy minister of fisheries. He, of course, would be the chief executive responsible for fisheries matters in Canada. At the moment, we have a minister of fisheries in the House of Commons and we shall continue to do so until this measure meets with parliamentary approval.

In the two years and eight months during which I have been a member of this House I have raised fisheries issues with the department on many occasions. I suppose there is hardly a member sitting here who has not expressed concern about the decline in stocks of fish off our coast as a result of exploitation by the Soviet Union, by the Scandinavian countries, the Iberian countries and, in fact, by all western European countries. Some of the North African countries are now planning to harvest fish along our continental shelf.

• (4:50 p.m.)

We have been pressuring the minister of fisheries to make an attempt to convene an international conference that will give our fishing industry some special direction and impetus to enable it to take its rightful place in the Canadian economy. This would provide our fishermen with a proper return for their labour, and also enable the fishing industry and our marine resources to make a proper contribution to the general welfare of the Canadian nation.

The passage of the bill now before the committee, which seeks to create a department of the environment and to subjugate the fisheries department to a minor role within the proposed department of the environment, we feel would seriously downgrade the role of the fishery in Canada. My colleague from St. John's East has put forward a very simple and sincere recommendation, namely that we give the fisheries department at least some semblance of its original status by renaming this proposed department the "department of fisheries and the environment". I cannot see any objection to the amendment and I am sure the minister of fisheries will accept it with the respect it deserves.

I imagine that in the very near future the minister of fisheries will have to sit down with the representatives of a number of European and Scandinavian countries, as well as the Soviet Union, and engage in a debate on the fishing industry and marine resources. I think he would have less status speaking as a minister of the environment responsible, on the one hand, for the effluent of the pulp and paper plant across the river here, as well as, on the other hand, for the fishing stocks in Groswater Bay or off the coast of Vancouver Island. He would have more status speaking as minister of fisheries and the environment, and this is the main reason I support the amendment.

It has been said that the fishing industry of Canada has never occupied the status position that it should have in the Canadian economy. I suppose there are a number of reasons for this. Successive governments, in my opinion, have not treated the fishery as an industry which could contribute to Canada's economic development. As an industry it has never been fully recognized, even though it was originally the staple industry in the Canadian economy.

For example, I can go back to the 15th century, when the original settlers from Europe came to what is now Canada in 1497 and exploited the fishery. I am sure the minister has become familiar with all the stories that have been told about this since he became minister. For example, he probably knows how they used these great baskets—unsubsidized baskets, by the way—put rocks in them, threw them overboard and then dragged them up full to overflowing with fish. In fact, fish were so plentiful that they rolled ashore on the beaches.

Cod are far from plentiful at the moment, though occasionally we do get hake on the shore. However, during the last 20 years or so there has been a tremendous decline in the fishing resources of the Atlantic. The minister is in his seat, and I presume he is listening to the debate, so must be aware that what I am saying is a fact. On Georges Bank the fishery is all but eliminated. On the Hamilton Inlet banks the Russians were responsible in 1968 for taking a quarter of a billion pounds of fish. I think that is the correct statistic, but certainly over a billion pounds of fish have been taken from the Hamilton Inlet banks. These are the spawning grounds of the Labrador fishery, which at one time was a major industry.

There was a time when thousands of men would sail down the coast of Labrador and set up residences somewhere for a few weeks or months in the summer to reap a great harvest of cod that was swimming along the shores and which populated the bays and inlets of Labrador. But during the last few years not only Russia and other countries, but Canada as well, have declared war on the fishing grounds on the Hamilton Inlet banks 250 miles east of the Labrador shore. As a result, we have seen the almost complete destruction—no, I submit the complete destruction—of the Labrador fishery, thus affecting the livelihoods of thousands of Canadians.

Let me put on the record once again the amount of fish that has been taken off the Hamilton Inlet banks off the Labrador coast. These fish would be sufficient to keep the largest plant in my riding going full blast at its present capacity and employment rate for 100 years. This particular plant, which is situated at Twillingate, Newfoundland, employs something of the order of 350 people during the peak period.

Even in spite of the tremendous exploitation of the fishery that has taken place, it is not too late for the Canadian government to ensure that end marine resources provide one of the major economic thrusts of this country. The fishery could be a top priority and the government should give it almost special status in terms of setting priorities for Canada. It should be given special status when it comes to negotiating a good deal with other countries for the Canadian fishery and conservation and management measures. Certainly, this is what I should like the Canadian government to do. It is what all Canadians would like, whether from British Columbia, Nova Scotia, Prince Edward Island, New Brunswick or the Gaspé. Incidentally, I am waiting for my hon. friend from Gaspé, for whom I have a tremendous amount of respect, to make his position on this issue clear. We want the fishery given as much status as possible.

The amendment moved by my colleague from St. John's East seeks to give the fishery some of the status it deserves. I submit that eliminating the office of minister of fisheries is a retrograde step that will have a debilitating effect on our attitude to the fishery, which in turn will result in the downgrading of the role of the fishery in Canada.

I hope that when I continue my remarks this evening the government will see fit to accept this very simple amendment that has been moved with the best interests of the fishing industry at heart, and with that, Mr. Chairman, I call it five o'clock.

The Chairman: Order. It being five o'clock it is my duty to rise, report progress, and request leave to sit again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Selkirk (Mr. Rowland)—Information Canada—representations from publishers of original Canadian books respecting assistance; the hon. member for Winnipeg North (Mr. Orlikow)—Labour Conditions—Unemployment—immediate amendment of Unemployment Insurance Act in view of increase in fund—increase in federal share of welfare costs; the hon. member for Moose Jaw (Mr. Skoberg)—Agriculture—Consolidation of farms—preservation of family farms.

It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely public bills.

PRIVATE MEMBERS' PUBLIC BILLS

BILLS OF EXCHANGE ACT AND THE INTEREST ACT

AMENDMENT RESPECTING OFF-STORE INSTALMENT SALES

Mr. David Orlikow (Winnipeg North) moved that Bill C-22, to amend the Bills of Exchange Act and the Interest Act (off-store instalment sales) be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

• (5:00 p.m.)

He said: Mr. Speaker, the bill which I sponsor today involves a principle which was the subject of a bill enacted in 1962 by the Conservative government in the United Kingdom. That bill was entitled "An Act to amend the law relating to hire-purchase and sales on credit of goods; and for purposes connected therewith". The purpose of this bill is to protect the Canadian consumer when he or she is approached in his or her home and is pressured into signing a contract for goods, services, labour or materials that are to be paid for by the consumer in future instalments. The principle of the bill is to afford the consumer a period for sober second thought.

I am sure there is not a Member of Parliament here who has not heard, either directly from one of his constituents or read in a newspaper publication, of the case of a high pressure salesman calling at the door, meeting a housewife or an individual living at the house who is retired or is on pension, and giving a high pressure sales talk resulting in the signing of a contract which obligates the person to purchase something like aluminum siding for his house, aluminum windows, the encyclopaedia Britannica or some other type of magazine.

The salesman very often creates the impression that this so-called service or product will be provided to the person to whom the sales pitch is being made at a very small cost; if not at a small total cost, at a small weekly or monthly cost. Very often people are charged substantially more than they might have paid if they had purchased the articles or the service in the regular way from a reputable place of business. Often they are lead to believe they will be given or provided with magazines, encyclopaedia or other items at little or no cost. Subsequently, they find to their horror that they have really obligated themselves to a contract for purchase. They often find they have agreed to purchase a large amount of aluminum siding for their house, which could amount to $1,000 or $2,000, or aluminum windows, which could run into hundreds of dollars, or a set of encyclopaedia which could cost $100 or $200, or even more. I might add that most people find little or no use for these books, magazines and other articles they become obligated to purchase at a cost of between $20 and $50 in interest on the contract.

Since I raised this matter first before the Joint Committee of the House of Commons and the Senate, which was looking into consumer credit, a number of individuals have dealt with the matter, and several provinces

have initiated legislation patterned upon the bill originally passed in Great Britain. It is not surprising that provinces have done this because such contracts, about which I have been talking, involve property or civil rights which fall under provincial jurisdiction. These matters also involve the Bills of Exchange Act which is a federal measure.

I propose to deal with the problem under the heading: "provincial legislation", which has been passed and which is excellent, but varies from province to province. A number of provinces such as Manitoba and Ontario have such legislation. Some provinces, such as Quebec, are considering the passage of such legislation. A number of provinces do not have this type of legislation, but even those provinces have passed legislation containing provisions for the protection of consumers.

The amendment which I propose to the Bills of Exchange Act would give the consumer three full days to cancel any bill of exchange or promissory note given as collateral or security. It provides that if the bill or note has not been negotiated meanwhile to an innocent third party, the individual has no further liability.

The bill provides that if a third party has been involved, the responsibility of the person who originally signed the contract is limited. The kind of protection I have been referring to is not at all unusual; in fact it is very common. The *Toronto Telegram* of last week, February 12, in its regular feature called "The Action Line", in which letters are directed to Frank Drea, contained a half dozen examples of the sharp practice to which I am referring. Let me put on record a couple of examples which were printed in the "Action Line" column in the *Toronto Telegram* of February 12, 1971. The first reads:

> I need help. For some time now, I have been receiving magazines in the mail when I did not order or pay for them. I have returned them to the sender. In the mail today, I received three magazines.
>
> I also received a notice from Trail Collection Agency saying that it had been retained by Civic Reading Club to collect $19.70 from me. That notice said previous attempts to notify me that I was a delinquent had been ignored. How can there be an account when I returned the magazines immediately.
>
> I am a pensioner and have neither the means nor the desire for their magazines, (one that was sent was True). Now I have had a phone call and the lady asked for money. I told her I always returned the magazines with a note to say I did not want any more.

Mr. Drea, with the co-operation of the Consumer Protection Bureau of Ontario, had the contract cancelled. Let me read another letter:

> My husband signed a piece of paper for seven magazines from Civic Reading Club. I phoned this company as soon as I got home from work. I didn't want these magazines. I told them I wouldn't accept them.
>
> My husband does not read or write. He can write his name on a cheque and a few other things. But he can't read a letter or a contract. I tried to tell them this. In fact, the company provided the down payment of $5.90.
>
> Now, they expect me to pay $5.90 a month for the next two years. I don't read these magazines and I hardly get time to read the paper. I refuse to accept these magazines. I have to send back Look, Maclean's, Rod and Gun, Atlantic, Field and Stream, Argosy and one that I can't remember. Please do something.

[Mr. Orlikow.]

• (5:10 p.m.)

Again, "Action Line" went to work with the Consumer Protection Bureau of Ontario and got the contract withdrawn. A look at the list of magazines to which this lady from Oshawa refers is an indication of how ridiculous the whole situation is. Individually, these are good magazines. I submit, however, that very few, if any, people would be interested in reading not just that many magazines but that spectrum of magazines. *Field and Stream* and *Rod and Gun* are magazines for people interested in fishing and hunting. Then, there is *Argosy*. I have not looked at it recently but as I remember it is a man's magazine; it is an adventure type magazine. *Look* magazine is a good magazine composed of articles and photographs. *Maclean's* magazine is a good Canadian magazine and *Atlantic* is a pretty high-class, high-brow, United States magazine. These are all good magazines, but I submit again that there would be very few people who would knowingly buy all these magazines.

What happened was precisely what this woman said in her letter. A very sharp, aggressive, knowledgeable salesman, interested in the very high commission he receives on each sale, made a very hard pitch to an old man who could neither read nor write and could hardly sign his name to a cheque. This man signed a contract in which he agreed to pay $5.90 a month for two years, making a total of something in the neighbourhood of $140 a year. I suggest to members of the House that what we have here, to say the least, is a very sharp practice. If it is not illegal under our laws, it certainly is an immoral practice. What I propose in my bill is that we provide, through a federal statute, the same kind of law a number of provinces have so that the consumer will have the type of protection he needs and to which he is entitled. Then, he will not be subjected to the kind of sharp practices which unfortunately are all too prevalent in this country. I do not think any legitimate businessman, retailer or company selling from door to door is involved.

My bill is not intended to be a blanket criticism of door-to-door selling. There is a very legitimate role to be played by business which sell from door-to-door. I have no objection to door-to-door selling. It is not the purpose of my bill to prohibit door-to-door selling or, indeed, to inhibit it where it is done in a legitimate way.

What this bill proposes, and I hope members of the House will support it, is that people who make purchases off premises, in other words people who make purchases not in a store but rather at home, will be given a period of three days in which to think about the purchase they have made and the obligation they have undertaken. In this way, they would have an opportunity to consult members of their family or friends who are more knowledgeable about business matters. Then, if they should feel they really did not wish to make the purchase, the contract could be voided by notifying the selling agency. I believe the fact that a number of provinces have already passed similar legislation is an indication that such legislation is useful in controlling the over exuberant selling which is sometimes practised. I believe this legislation is both worthwhile and necessary, and I hope members of the House will support this bill.

Mr. Steven Otto (York East): Mr. Speaker, I will deal with this bill in a favourable light, although I believe it really touches the tip of the iceberg. The hon. member for Winnipeg North (Mr. Orlikow) outlined some of the complaints of citizens of Toronto as reported in a Toronto newspaper. I recall having been involved in business, not door-to-door although I was familiar with this type of selling, when we had the example of the water softener. This was an example of a confidence racket. The whole production and the presentation was drawn up in Boston, Massachusetts, by three psychiatrists. The presentation was so beautifully outlined that it would sell the water softener to anyone. I recall the training the salesmen received. I am speaking of a product which is in fairly frequent use at the present time.

The salesmen were trained to use the visual presentation, fear, and every conceivable apprehension to which a future customer could be subjected. When one looks into the facts, one finds that one would have to drink about 82,000 gallons of water a day in order to harm his health if the water were hard. Very few people could take in that much liquid. If a pot were used for 27½ years it would accumulate minerals to the extent that it could not be used, and a 79 cent pot would have to be thrown away. People today are purchasing water softeners at prices ranging between $400 and $1,400 strictly because of this door-to-door selling. The purchasers have every opportunity to break the contract but do not do so.

As I say, door-to-door selling is only the tip of the problem we really have here. The hon. member has pointed to the Bills of Exchange Act, which we control federally and which could have a great bearing on the conduct of business and consumer credit in general. I take it that the bill proposed by the hon. member would not take effect after delivery of the goods, but only before the goods have been delivered could the contract be cancelled. I take it also there would be a time limit in respect of when the notice should be sent. As the hon. member is aware, the salesman could predate the contract and provide witnesses to establish that the contract had been entered into on the specified date. So, it would be almost impossible to make this work.

As I have stated, the tip of the iceberg is there but the real issue is what we do in respect of consumer credit because that is really what we are talking about. We are talking about salesmen in and out of stores who tell a customer to buy the best merchandise, not to worry about the price, pay nothing down and eventually somehow it will work out. In Canada, there is approximately $13 billion outstanding in consumer credit. Since approximately 30 per cent of the families in Canada do not use consumer credit, according to my calculation the remaining families are each indebted to an average of approximately $3,700. The interest on that sum alone is upwards of $700. Yet, DBS tells us the disposable income of an average family is about $500. What we are doing in fact is becoming more deeply involved in consumer credit to the point that it is inconceivable the indebtedness will ever be repaid; it is impossible.

Bills of Exchange Act and the Interest Act

• (5:20 p.m.)

At one time, I was in discussion with a man fairly knowledgeable in finance who said "you may be right that this consumer debt can never be repaid. You are not only right, but it should not be repaid. Let us suppose that only 50 per cent of the people now obligated to pay money decide to pay the interest and principal and never to borrow again. The result would be that 75 per cent of our nation could not buy T.V. sets, clothing or furniture, and we would be in a depression the like of which the world has never seen." So here we are, stuck with a system which we ourselves have allowed and into which we are entering deeper and deeper. The result is that 18 per cent to 20 per cent interest now has to cover not only the interest but supposedly the principal as well. In other words, industry has acknowledged that this principal will never be paid back and that, therefore, they have to settle for the interest alone.

Why is this consumer credit so prolific, and why do people buy? I put it to you, Mr. Speaker, that consumer credit is really promoted by industry, by people who manufacture the goods, but it is not promoted with any discretion. Industry does not say to a viewer of television or a reader of advertising in the newspaper that if your earnings are $14,000 or $15,000 or $20,000 a year you should buy this new car. Industry does not say "Be careful, do not go over your limit". There is absolutely no discretion, and industry promotes indiscriminately the purchase of a product, whether or not the purchaser is able to afford that product. However, the money is often collected through the courts. This is not done merely by an action in court, but rather by using many devious means.

For example, if there is a collection department within the finance company they will ask for a payment several times, following which they will telephone the employer and suggest that the debtor is far behind with his payments; that he is really not responsible. Then, they suggest that there may be a lien. The employer then finds a defence by telling his employee "get it straightened away or you will be out of a job. I will not bother with this type of thing". That is one way in which they act. If they do not succeed that way, they go to the court. They use the whole majesty of our courts to collect a debt which they themselves have promoted.

But I put it to you, Mr. Speaker, that the purpose of the original Bills of Exchange Act was not consumer credit. The act was introduced a long time ago for commercial credit for businessmen. It was introduced so that commerce could be conducted, so that in due course the holder of a note, a cheque, a conditional sale agreement, a bill of lading or a bill of exchange, would have a reliable document on which to collect his debt. At that time no one had heard of consumer credit, and if they had, the government would have automatically excluded the consumer purchaser from this act. I put it to you, Mr. Speaker, and to the hon. member for Winnipeg North that the Bills of Exchange Act does not apply to any type of bill, note or document for consumer credit. We should eliminate completely the provisions of this act, and the great body of law based on this act, which permit finance

companies to use the courts. We should say to them that they cannot use the courts to collect their money but rather they should use promotion. If they promoted the borrowing of that money, they should use the same promotion to get it back, or alternatively, be careful how they lend their money.

I think that consumer credit would still be granted, but this step would save us the fantastic cost with which each province is burdened and would take a lot of pressure off the courts. However, most important, I think that if this industry—which claims to be an industry, but at one time these people were called usurers—wants the goodies at the end it should also have the responsibility to ensure that all their sales and promotion are geared to the ability of the customer to pay. Then, society would not be burdened with the costs of collection.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, could I direct a question to the hon. member?

Mr. Otto: Yes, Mr. Speaker.

Mr. Beaudoin: Mr. Speaker, the hon. member stated a while ago that the bill was quite sensible and that he regretted having to discuss the matter. Could he tell us why, if the bill is so satisfactory, he does not hasten its passage?

[*English*]

Mr. Otto: I am all in favour of it. I cut my remarks short, so that the bill could carry now.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have listened with interest to the speeches of my colleagues on Bill C-22 introduced by the hon. member for Winnipeg North (Mr. Orlikow), and upon reading the first paragraph of the explanatory notes, I realized that this bill is not only extremely important, but that it is designed to alleviate the problems facing Canadian consumers today.

Mr. Speaker, when one considers that Canadians as a whole owe more than 10 billion, whether in consumer credit or in loans of all kinds granted to individuals, that is an indication of the frightening indebtedness of Canadians, which the government does nothing at all to curb. That shows also the importance of the matter which interests the hon. member for Winnipeg North, namely the protection of the consumer.

Mr. Speaker, allow me to quote from the bill:

> The purpose of this bill is to protect the Canadian consumer when he or she is approached in his home or other "off-store" premises and is pressured into signing a contract for goods, services, or work, labour and materials that are to be paid for by the consumer in future instalments. The principle of the bill is to afford the consumer a period for "sober second thought"—

—before getting involved in those gimmicks which will contribute to ruin him financially.

Mr. Speaker, recently, in Victoriaville, I saw several of my fellow citizens being submitted to pressure from aggressive salesmen who greatly annoyed the people. I even noticed in one case that some salesmen went to the homes of my fellow citizens and told them: We shall get you a product of such quality. Their sales pitch was the most convincing speech.

But, and that is the snag, those salesmen, even though they did not represent a bad company nor did they offer a bad product, claimed that the purchase of the goods could be financed with a loan from the Central Mortgage and Housing Corporation at an interest rate of 4½ or 5 per cent.

Now, when one knows the current interest rate charged by CMHC and other credit sources, this claim becomes really extraordinary and my fellow-citizens, at that moment, have absolutely no way of obtaining information of the transaction.

It is well known that such salesmen say: Do this now, do not miss your chance? And people do not want to miss their chance; they need a certain product and they are swayed by certain arguments. And it is precisely those arguments that make them fall into the trap.

Consumer credit amounts to more than $10 billion. This is how the individual runs into debt. It shows how important is the suggestion made by the hon. member for Winnipeg North and how the House should readily support this bill.

Mr. Speaker, these pressure salesmen have two advantages: first, professional sales training and then, the ignorance of people on which they rely. Not that people are really ignorant and have no good sense, but they lack objective and full information. These salesmen speculate on the advantage of speed and swiftness and try to corner citizens into a position where they have no other choice but to sign the contract. At that time, it is certainly not a well considered purchase.

This is why, on the whole, this bill aims at automatically affording the consumer a period for "sober second thought" during which he will be able to seek advice from consultants, specialists, friends in order to take the wisest decision.

One cannot assuredly blame the advertisers of these products because sales methods are directed towards the use of pressure. But, when the two contribute to make Canadians run further into debt, in view of the appalling economic conditions that exist at this time, it is all the more important for the Canadian government to protect the consumers.

That is why I readily join with my colleagues in supporting Bill C-22 and I want to congratulate the sponsor of this bill.

In conclusion I simply say that when one sees the way Canadians are running into debt and considers the economic conditions that prevail at this time in Canada, one finds that the government has long been concentrating its efforts on production and protection of producers through fiscal policies and so on. The government protects producers, but does nothing for the consumers. A board for the protection of consumers has been set up, but it is just a joke. Things remained as they were and complaints directed to that board are dealt with ever so slowly. In fact you would have to wait ten years before a complaint is investigated by that board as red tape has the effect of

burrying officials under tons of paper, which does not make for efficiency at all.

That is why it seems important to me that we pass legislation in this field, especially with regard to that economic problem and to the fact that Canadians are indebted for more than 10 billion dollars. It seems to me that in such a situation the government has to protect consumers against all these means used to squeeze money out of them.

That is why we shall support Bill C-22 and we hope that it will be passed as soon as possible.

• (5:30 p.m.)

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, since pre-confederation itinerant sellers have performed a very real service to the Canadian housewife. This has been particularly true in rural areas, where the periodic visits of the man selling spices, thread, brushes or other household articles were social occasions and a great purchasing convenience. I remember my own experience as a boy visiting my grandparents on the Prairies. I know how it was when itinerant salesmen came with their horsedrawn vehicles and later on with their automobiles and trucks.

In the early days, the salesmen were usually small-scale merchants without any ties to large suppliers. Gradually, however, a number of companies saw opportunities for expansion in this field of endeavour and some of the enterprises which developed became very large and profitable. Many of these companies also acquired a high reputation for the quality of their products and the probity of their salesmen. There was always a small representation of rascals, however, who were overendowed with persuasive ability but not heavily burdened by conscience.

Mr. McGrath: Carpetbaggers.

Mr. Penner: These people regarded the farmers and housewives as fair game. The lightning-rod salesman of another day usually had the gift of the gab and it was said that he could sell lightning-rods to people who had never heard thunder. In more recent times these unscrupulous individuals have concentrated on more obvious symbols of affluence such as aluminum siding, encyclopedias, freezer plans, fire alarms, vacuum cleaners, correspondence courses and an amazing variety of get-rich-quick schemes.

Purchases of this type normally involve large expenditures and it was not long before some of the disreputable operators in the field of intinerant selling discovered the convenience of conditional sales contracts and promissory notes. It was typical of the shady operators to sell the promissory note as quickly as possible to a finance company or other financial institution which would normally acquire the status of a holder in due course. This meant that the purchaser was obliged to pay the holder of the promissory note even though the original transaction may have turned out to be completely unsatisfactory.

I have here an account of an actual case which illustrates the problem. It concerns an elderly lady who was crippled and living with her disabled husband on a small pension. A salesman called to try to sell them a mattress. She said the salesman was very nice and acted as if he were sincerely interested in helping her because it was apparent that she was crippled. The lady told the man that she did not need a mattress but had been thinking about getting a rug, which he said he could get for her with no difficulty. She had been prepared to pay $125, but after she had signed papers which the "nice" salesman offered she discovered that she would be paying $300, plus $30 down, plus a $10 delivery charge.

• (5:40 p.m.)

She realized she had made an error but felt there was nothing she could do about it because she had signed a contract. When Christmas and New Year came and she had no rug, she tried to cancel the order but was told this was impossible. The outcome of it was that she did not receive her rug and a finance company was trying to garnishee her husband's income for the amount of $300.

This kind of scandalous behaviour has, naturally, provoked a good deal of dissatisfaction and there has been increasing legislative action in recent years in providing a so-called cooling off period for transactions conducted by door to door salesmen. This whole matter was looked at in considerable detail by the Molony committee in Great Britain in 1962, which received a good many complaints on the subject. The committee reported that the activities of door to door salesmen provoked greater wrath and indignation among the witnesses than any other subject. As a result of this, the Molony committee recommended a change in the law which would permit a purchaser to withdraw from a so-called "doorstep sale" within 72 hours. The British Parliament accepted the principle and it was incorporated in the Hire Purchase Act in 1964 and 1965. Specifically, the British act allows the purchaser four days from the receipt of a notice to advise the seller that he has rescinded the agreement.

In the United States, statutes providing the right to cancel were passed in Pennsylvania and Michigan, but they were limited to contracts dealing with home improvements, a field which has been the focus of a good deal of fraudulent activity. About five years ago proposals for cooling off provisions of a more general sort began to appear and a number of statutes now provide for the cancellation of itinerant sales contracts. This issue was dealt with in the Uniform Consumer Credit Code which was drawn up by the National Conference of Commissioners on Uniform State Law.

In the final draft of this code, dated 1968, there is a recommendation that any buyer should have the right to cancel what they describe as a "home solicitation sale" until midnight of the third business day after the day on which the buyer signed the contract. The most recent development in the States has been the issuance of a proposed rule by the Federal Trade Commission which would impose a cooling off period quite generally. The brief presented to that commission specifically indicated

that there was a need for a broad type of cooling off period to help citizens of that country.

Although I have been talking about developments in Great Britain and the United States it should not be taken to mean that the problem has not been dealt with in Canada as well. Since the passage of the first consumer protection bill in Nova Scotia in 1967, there has been a general adoption of similar legislation in all but one of the Canadian provinces. The province of Quebec has not yet passed its consumer protection act; it is currently before the committee of the Quebec Assembly and is known as Bill 45.

It is provided in all the provincial legislation of this type that doorstep contracts can be cancelled within a specific period. The period is not uniform in all provinces. Ontario provides two days while British Columbia provides three days. The three prairie provinces specify four days. Quebec, New Brunswick and Nova Scotia specify a five-day period, while Prince Edward Island allows seven days and Newfoundland ten days. These longer periods are a recognition of the fact that some people in the Atlantic provinces may be away from home for a longer period. There is, therefore, some extension of what is known as the "decompression period", a phrase used to describe the period after the signing of the contract when the intensity of the consumer's desire drops rapidly. This is sometimes a period for hand-wringing and sober second thought.

It is undoubtedly true that high-pressure selling techniques are used in stores as well as in the home, and there may well be many occasions when individuals find they have been mesmerized into concluding a contractual arrangement which they subsequently realized was unwise. The legislation which has been passed in this field in other countries and in the various provinces does make a distinction between these two methods of doing business. It is evidently the view that the need for protection is not as great in the case of persons who go to stores or visit showrooms because their interest in the articles on display is self-inspired.

It should also be pointed out that nearly all the provinces provide additional protection against unscrupulous, itinerant sellers apart from the cooling off period. It is generally the case in the Canadian provinces that door to door salesmen are required to be licensed by provincial bodies. In some cases there are also bonding requirements. This means that any sellers who generate complaints from consumers render themselves liable to investigation by the provincial authorities. This could in some cases lead to the cancellation of their licences.

Since door to door selling usually falls under the law of contracts it is primarily a matter under the jurisdiction of the provinces. It should be emphasized, however, that the federal government has taken definitive steps to eliminate certain types of abuses in this general field. There was a path-breaking amendment to the Bills of Exchange Act which became law on November 1, 1970, which changes the law governing promissory notes used in consumer purchases in a way which protects consumers generally. The amendment, of course, applies to any promissory note or similar instrument that is used in a consumer credit transaction.

[Mr. Penner.]

The amendment is designed to stop abuses of promissory notes by unscrupulous or irresponsible sellers. Consumers who buy on credit often sign promissory notes attached to sales contracts without understanding that the promissory note will be sold to a third party such as a sales finance company. In most cases a third party holder of a promissory note can legally enforce payment of the note even if the seller of the goods does not live up to his part of the contract. This can lead to severe injustice when a seller has gone bankrupt, skipped out, broken a warranty or service agreement or has otherwise failed to perform his part of the contract. It has been possible for the so-called "holder in due course" of a promissory note to insist on payment when the goods bought by the consumer were not even delivered.

The amendment has two main provisions. The first is that all promissory notes given by consumers under sales contracts must be marked "consumer purchase" on their face. The second is that consumers will for the first time be able to offer as a defence, in case of suit for non-payment, the fact that the original seller did not fulfil his part of the bargain. This means that sales finance companies and others buying promissory notes will have to be careful that the sellers they buy them from are not engaged in any fraudulent or shady activity. The new rules will also apply to cheques which are postdated more than 30 days. This has been done to prevent any evasion of the intent of the amendment by substituting postdated cheques or other types of bills of exchange for promissory notes.

Promissory notes were originally used in transactions between merchants or businessmen who understood fully the nature of promissory notes. In more recent years, the widespread use of such notes in consumer credit sales has meant that often they have been signed by people who have not realized their unconditional obligation to pay. Fast talking and fly-by-night operators, interested in getting the signature of the consumer, neglect to explain the "holder in due course" aspect of the Bills of Exchange Act.

The change in the law follows recommendations made by the Special Joint Committee of the Senate and House of Commons on Consumer Credit, the Consumers' Association of Canada, the Canadian Consumer Council, provincial authorities responsible for consumer credit legislation and various experts on consumer law. It is a sad fact that legislation is not the sole answer to the kind of problem we are dealing with. It is also essential for individual consumers to behave in a prudent fashion. There are myriad warnings about the pitfalls of signing contracts with charming but unknown peddlers. The skill of certain salesmen in persuading people to sign documents is remarkable, and the point must be hammered home that care and time should be taken before a major purchase is made. It is often quite easy to make inquiries through friends, relatives, lawyers or others concerning the credentials of the sellers and the quality of their products.

• (5:50 p.m.)

There would be much less weeping and wailing and gnashing of teeth if people would learn to resist the blandishments of the fast-talking salesman who is in a rush to have the deal concluded. It would be a great deal easier for all concerned if people would reflect on some of their plans and consider them in the cold light of early morning long after the salesman has gone, before signing some allegedly innocuous paper. Until people learn to be wary of glowing promises and claims of magic performance, they will involve themselves in difficulties. It is true that the assortment of consumer protection laws which we now have may permit them to escape serious financial harm if there is chicanery involved, but it would be simpler all around if consumers would exercise a reasonable degree of prudence and caution.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am tempted to number myself among those who have praised the basic principle of the legislation or at least the spirit behind it. I have some misgivings about its workability and constitutionality about which I will speak later. Others have spoken of a cooling off period of three days in the signing of door to door contracts. I am sure no one disagrees with this sound idea.

The hon. member for Vancouver-Kingsway (Mrs. MacInnis) is in the chamber. In line with her avid interest in family planning, it would be remarkable if the hon. member could come up with a three-day cooling off period for that sort of thing, something which would operate retroactively in the same way as the legislation now before us.

Mr. Orlikow: Find a way and we will support you.

Mr. Jerome: If you could find a way, I would support you. A three-day retroactive pill would be a big seller. I would like to be among those who had the patent on it, as well as the patent on legislation with the spirit of this bill.

Provincial jurisdictions have gone a long way on this road. I realize that the hon. member has introduced this legislation because only some of the provinces have taken the necessary steps. This brings me to the main reason for participating in the debate. If the spirit of this legislation is to be effective, we will be dealing with what is primarily provincial responsibility. I do not doubt that the spirit of the legislation now before us is a circuitous way of accomplishing a praiseworthy objective. If this is to be accomplished, the legislation must apply to all provinces. By dealing with amendments to the Interest Act and the Bills of Exchange Act, the hon. member is attempting to get at the law of contracts and at the root of contracts dealing with property and civil rights. This, of course, is fundamentally and essentially a provincial responsibility.

Mr. Penner: Will the parliamentary secretary permit a question?

Mr. Jerome: Certainly.

Mr. Penner: I am interested in the remarks he is making. Could the parliamentary secretary say from his own knowledge whether Bill C-22, if enacted, would give the consumer any real protection in addition to that now provided by the provinces in their legislation which allows for a cooling off period? The only exception is the province of Quebec which has not yet passed a bill of this type. It is now before a committee of their Assembly. Could the parliamentary secretary indicate whether any real, additional protection would be given to the consumer by this bill?

Mr. Jerome: My opinion on that is in the negative, Mr. Speaker. Of course, it is only a personal opinion. A question like that could be better answered at another time by experts in the constitutional and contract fields. The hon. member who sponsored the bill may want to comment on that matter at another time. In my opinion, the protection extended by this bill is no stronger than the basic protection under the Ontario legislation. This is actually a provincial responsibility. In the province of Ontario the legislation allows for a cooling-off period. What the hon. member is attempting to accomplish by this legislation has already been accomplished.

The intention of the legislation dealing with bills of exchange is to get away from the "holder in due course" aspect of the matter, which is the most infamous and odious. A holder in due course under a promissory note can pursue collection of the note regardless of the good faith or purpose of the original vendor. It has always been an extremely odious situation. Steps to correct the situation have already been taken by the Department of Consumer and Corporate Affairs.

Mr. Speaker: Order, please. I regret to interrupt the hon. member. The time allotted for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

The House resumed consideration in committee of Bill C-207, respecting the organization of the government of Canada and matters related or incidental thereto—Mr. Trudeau—Mr. Richard in the chair.

The Acting Chairman (Mr. Richard): Order. When the committee rose at five o'clock an amendment to clause 2, moved by the hon. member for St. John's East, was under consideration.

Mr. Lundrigan: Mr. Chairman, first I must congratulate the committee for arriving at a quorum so early this evening. Before the debate was interrupted at five o'clock we were talking about an amendment by my hon. friend from St. John's East regarding the need to reinstate in the bill now before the committee, the government reorganization bill in the name of the right honourable, esteemed and distinguished Prime Minister of Canada, a title which would give fisheries at least the status which it deserves as a priority economic issue in the Canadian nation. In presenting our amendment we have tried to show the importance of marine resources to this nation. When we say "marine resources" perhaps we ought to indicate what that phrase means in terms of the Canadian economy. We are not referring to the need for a minister to protect the cod fishing industry.

We are not referring to the need for a ministry or a fisheries department to protect flatfish or the groundfish industry. We are referring to the need for a spokesman in the House of Commons for everything to do with marine resources.

Most nations of the world, including the Soviet Union, the western European nations, the Scandinavian countries and the Iberian nations recognize marine resources as one of the last great frontiers in the development of their countries. Until the introduction of Bill C-207 we had a fisheries department in Canada which, though lacking in initiative, lacking in spark, in ingenuity and aggression, occupied some kind of prestigious position because the representative of the fisheries department did sit on the front bench and could assume responsibility for answering for the Canadian fishing industry.

It has been our contention that it is necessary for Canada to increase the prestige and the importance of the Department of Fisheries. We do not propose this on a sentimental basis. It is not my intention as a Canadian parliamentarian and as a representative of a fishing constituency, by and large, to argue that we should have a Department of Fisheries which occupies a top-level role in the Canadian government, on the basis of sentiment or simply to see our east coast and west coast marine areas recognized. It is primarily a consideration based on the fact that marine resources occupy a strategic position in the economy.

My hon. friend from South Shore, who moved an amendment in recent days, suggested that we should first reinstitute the Department of Fisheries and keep it as a unique and distinct department. Failing the acceptance of that recommendation we moved an amendment asking that there be a fully-fledged Deputy Minister of Fisheries who could assume the full role of a deputy minister answerable to the House of Commons. That proposal was defeated. I cannot recall exactly how the vote went but I do recall that every supporter of the government voted against the motion. This was unacceptable to the Canadian fishing industry. It was unacceptable to Canadian fishermen. It was an unbelievable response from the "just" Prime Minister of Canada who promised to eliminate regional disparity—and I am talking about the four Atlantic provinces, the eastern part of Quebec and British Columbia.

My hon. friend from St. John's East has moved an amendment which is very simple. It suggests that instead of having a department of the environment under which we have subsumed a number of branches, one of which is fisheries, another of which is ecology, the environment, everything to do with pollution—including the effluent produced by pulp and paper plants and the mercury effluent from various industries, and so on—we have a Fisheries Department which is recognized in the total title. It is suggested that we have a department of fisheries and the environment. I cannot imagine that the government of this nation will not accede to this very simple request that fisheries at least be placed in a recognized position in the Canadian economy.

An hon. Member: What about wheat?

Mr. Lundrigan: Back in 1957 we had a Department of Fisheries. Someone told me today that the Department of Fisheries gained its true status in 1932 after decades of talk, contemplation and activity by interested people in Canada. Perhaps we might have watered down the issue a little when talking about a Department of Fisheries and Foresty, but now we are taking steps completely to eliminate the Department of Fisheries and to set up a department of the environment which will have to do with all kinds of pollution including, I suppose, pollution caused by thermometer breakage. Last evening on national television I heard a report about so many pounds of mercury being released into the atmosphere as a result of the millions of thermometers which become broken during the course of a year.

• (8:10 p.m.)

I see the President of the Treasury Board, who holds the pursestrings, looking at me, and my hon. friend who spoke about pollution yesterday in Vancouver and wants part of the action is also in the chamber. Hopefully, these esteemed and honourable gentlemen have come into the committee to take part in the debate, and we have no objection to that. Everything having to do with the environment and the quality of life should occupy top priority in government circles today.

If we relegate the fisheries department to the third-grade level, if instead of having a fully-fledged Deputy Minister of Fisheries we are to have an acting deputy minister away down the line who once in a while, when he can get an appointment, is able to talk to the minister, then we should at least have a department of fisheries and the environment. The government cannot argue that this would be confusing or cumbersome because we already have multiple departments, such as the department of the Minister of Manpower and Immigration who also looks after the Wheat Board, or I could refer to the present Department of Fisheries and Forestry.

We suggest that this would be a legitimate reason for accepting our amendment. It would give the fisheries

department the prestige that it deserves in the Canadian nation as well as the prestige it deserves internationally. When we meet the various countries of the world in 1971 and in years to come we must speak as a nation that exemplifies and demonstrates great concern for the fishing industry of this country.

If the government cannot accept the amendment and demonstrate to the Canadian people in the Atlantic region, in Quebec and in British Columbia that it is concerned about the fisheries, then my recommendation to the Prime Minister, this right honourable, eminent, omnipotent gentleman, is that we renege our commitment to send candidates to these areas in the next election on the ground that we are not interested in the economy or the future of their people because we want to eliminate the fishery as an industry.

I notice that the Chair is getting a little anxious to get the amendment through, so perhaps the minister would get the floor and give the committee an indication that the government will accept the amendment. We could soothe present feelings in the House of Commons and shortcircuit a good deal of debate if the Minister of Fisheries, who could not attend a great economic conference in Newfoundland a few days ago because of his commitment to this bill, were willing to indicate the government's acceptance of the amendment moved by the hon. member for St. John's East, which provides that the new department be called the department of fisheries and the environment. If he were willing to accept the amendment we would be quite agreeable to allowing the vote to take place and—

The Acting Chairman (Mr. Richard): Order. The hon. member's time expired some time ago.

Mr. Lundrigan: Perhaps the minister would like to indicate his position on this amendment.

Mr. MacLean: Mr. Chairman, I feel impelled as a former Minister of Fisheries to say a few words about this amendment. I do so because I feel that the Department of Fisheries is not only an historic one but has been a very important department of government. There was a period when it included what are now some of the responsibilities of the Department of Transport. This was in the days when it was known as the Department of the Marine and Fisheries. It then became the Department of Fisheries and was responsible for the fisheries and nothing else. Subsequently it became the Department of Fisheries and Forestry. This old, historic department is now to disappear as a name from the departments of government.

I think this is unfortunate, not only because the commercial fishery is very important economically for Canada but also because the Canadian Department of Fisheries has rightly acquired a world wide reputation for capability, competence and efficiency. Furthermore, in a day when such matters as pollution and environmental control had little public interest, the Department of Fisheries as such, I think more than any other department of government, pioneered in the field of pollution control. The Department of Fisheries did much in the way of preventing pollution of our fish streams and the dumping of pollutants like mill waste, mine tailings and chemicals of various kinds into our water courses and lakes. The Department of Fisheries has a longer and more praiseworthy record of pollution control and environmental improvement than any other department of government.

Therefore, I think the government should reconsider its decision to call the proposed department simply the department of the environment and should agree to this very reasonable amendment which would set up a new department to be known as the department of fisheries and the environment. Or if the government has some other suggestion to make to the committee, I think we might be able to agree to it and in this way get on with the business of the House, having preserved an historic and important department. If that were so, then when ministers attend international conferences and deal with their opposite numbers from other countries they would be known as ministers of fisheries and the environment. It is true that very few countries have a department of fisheries as such. Many countries have departments of fisheries and agriculture, or fisheries and something else; but I suggest this is an important consideration that the government should not forget.

This is a field in which there is no hard and fast rule about what should come within the department and what it should be named. One could juggle the functions of departments endlessly and advance logical reasons for doing so in light of the current situation. We have had a lot of experience of this sort of thing during the last few years. Certain functions have been taken from one department and put into another from time to time. We have established such bodies as Information Canada and Statistics Canada. It seems to me that one of the reasons for these creations is the elimination of old, historic names such as the Dominion Bureau of Statistics, functions of government that have had the same name since confederation. I think it is unfortunate that we are losing some of this heritage. Sometimes I think this government is intent on innovation for the sake of innovation, change for the sake of change. If we wanted to do this I could make many suggestions. We could take the Department of Finance, part of the Department of Manpower and Immigration and part of the Department of Regional Economic Expansion, put them under one minister and call it "unemployment Canada". We could do that if we wanted to be that ridiculous. I am serious about the suggestion.

• (8:20 p.m.)

Mr. Knowles (Winnipeg North Centre): That's no joke.

Mr. MacLean: It certainly is not. I am serious about this scrapping of the old, historical functions and names of departments which are well known not only to Canadians but throughout the world. I think we are losing something which we cannot replace through the creation of this new department with an entirely new name. I seriously recommend that the government reconsider its decision and include the word "fisheries" in the name of this new department.

Mr. Barnett: Mr. Chairman, as I listened to the former Minister of Fisheries I found myself mentally referring to him as the hon. member for Queens. In that sense I might join him on this occasion by taking a small "c" conservative attitude toward certain things. Let me say a few words in support of the proposed amendment.

I, too, sentimentally reject the suggestion that the word "fisheries" should disappear from the title of a department of the Canadian government. I realize that the hon. member for Malpeque was not being merely sentimental when expressing his regret at the proposed disappearance of this name from a Canadian government department. Like the hon. member, I believe there is a series of valid reasons why there should be a Department of Fisheries in Canada. During the last two or three days I have attended a symposium on mercury pollution, under the auspices of the Royal Society of Canada, at the National Library. Through you, Mr. Chairman, I should like to say as a member of this House how proud I was of the contribution made to that symposium by the officers of the Department of Fisheries. They were a credit to that department, to this House and to Canada generally.

If it was not obvious to me before, I have realized in the last two days the very close relationship between Canadian fisheries resources and the state of the environment. One thing pointed out at that conference on mercury pollution—I should like to underline this as a member of the fisheries committee of this House—was that despite all the concern which has existed in recent months about the mercury content of fish, the officers of the department made it clear that fish products in Canada are relatively uncontaminated. There is no more input of mercury through the consumption of fish products than there is in the general range of food which Canadians consume.

The former minister has underlined my view that there are circumstances under which must be apparent both nationally and internationally that official voices are being raised in respect of the fisheries industry of Canada. When reflecting on the question raised by the amendment now before the House, it seems to me that in the international realm, if not domestically, it is important that it is known around the world that we have a fisheries department in Canada. It should also be known throughout the world that the Canadian government is responsible for the Canadian fishing industry. Canada is a signatory nation to many international fisheries treaties and conventions. I hope Canada will become increasingly involved in international negotiations leading to a more rational management of sea resources. For this reason I feel it is not merely a sentimental attachment that the preceding speaker and I express regret at the disappearance of this department which has been in existence since confederation. Consideration should be given to the retention of the word "fisheries" in the title of this department.

I think there is another reason of importance. We live close to another federal state where constitutional jurisdiction in respect of fisheries is different from ours. In the United States there are departments of fisheries in various states. The primary constitutional jurisdiction there, in respect of fisheries, rests with state governments. We also know that many provinces in Canada have fisheries departments. Unfortunately, the province from which I come has not in recent years seen fit to maintain a provincial department of fisheries. Nevertheless, it seems to me that if we abolish the title Department of Fisheries there may be a tendency on the part of people outside our borders who are interested in the development and administration of fisheries to direct their attention toward our provincial departments rather than to the federal government.

There are valid international reasons for the retention of the word "fisheries" in the title of the new department. During earlier discussions I suggested we should have two deputy ministers. At that time it was my view that it was quite proper to establish a department of the environment, that this should be a matter of great importance to the government and that it should establish a department concerned with general environmental problems. There is this close and natural relationship between the two departments. I was not quarrelling with the idea that the minister who has been the Minister of Fisheries and Forestry is to be the minister who will head this new department. I think that is generally accepted by all members of the House. I believe, however, this is one of those cases where the government would be well advised to accept the proposal put forward from this side in good faith and with a good deal of seriousness.

• (8:30 p.m.)

I recall that in an earlier discussion on the reorganization of various branches and functions of government a proposal was placed before this House which would have done away with what was a fairly historic name in respect of government departments, namely, Indian Affairs. I remember at that time the hon. member for Skeena and myself, among others, took up the question of doing away with the title Indian Affairs in a department of government. We suggested that the title Indian Affairs should be added to the name of the department. This idea was taken up on the government side, and rather to our surprise the name of the new department when finally adopted was not the Department of Northern Development and Indian Affairs but, rather, the Department of Indian Affairs and Northern Development. This, in effect, placed the name that was to have been abolished at the top of the totem pole.

The amendment which has been moved would do nothing more than was done in respect of Indian Affairs. I think it is agreed that that was a worth-while move in view of the developments which have taken place among the Indian people of Canada since that time. I suggest that the question of the fisheries of Canada will be a matter of increasing, rather than decreasing importance and that it would be right and proper that this House recognize that fact by adopting the name proposed in the amendment as the title of this new department.

Mr. McCleave: Mr. Chairman, I do not see the minister rising. If he would indicate his acceptance of the amendment I would quickly sit down. However, I believe arguments could be made for recognition of this historic

department in addition to those so eloquently advanced during the past few hours. I make no apology for presenting my arguments now. For one thing, within Halifax-East Hants there exists the swordfishing capital of the north Atlantic, in the fishing village of Sambro, and we know that the swordfishery is in serious straits at this time.

Let me remind the minister of a few other points. We are a country with one of the longest, if not the longest sea coast in the world and it seems very strange that we pay remarkably little attention to our marine heritage. I would bet that if anyone attempted to take the Department of Agriculture and change it into something else, there would be a huge outcry from at least one-third of the membership of the House of Commons. So I do not understand why those of us who represent the fishing communities of Canada, although we are smaller in number than those interested in agriculture, should not stand up and speak as loudly for our rights.

I ask myself why this step is being taken in this strange reorganization bill. I think the obvious answer is that this happened to be the one department of government which had the expertise, the people available and the laboratory facilities which would make such a change possible. So this time-honoured department is to be the victim of twentieth century whims and notions simply because it is progressive and well ahead of other departments. Mr. Chairman, I hope the minister will yet realize that we on this side of the House want to retain the name "fisheries" within the scheme of things. We cannot do it tonight if we are beaten down in our attempts, but we can bring forward other motions on third reading. We can fight it and fight it again. I hope the minister realizes that.

Now, to say something kind about the minister, I suggest the strongest thing that is selling the idea that there should be a department of the environment and that fisheries as a department should be swept away is the personality of the minister. I say this without flattery but simply as recognition of a fact. Probably what has enabled the government and the insensitive technocracy that has drawn up most of this bill to get away with it is that they can see they have a very reasonable minister to sell as head of the new department. The fact is the minister is a quite reasonable fellow; he is very conscientious and we know he takes his responsibilities seriously. But that may not be true in respect of ministers over the next ten years as we go down the "pike" of this venture.

So I do not believe we should allow the minister's good name and reputation to be used in bringing about this change. We resist it on that account. We do not do so because we distrust the minister; indeed, the reverse is true. We do have trust in him. We know that he can make bad judgments like anyone else around here, but we also know that at least he will have given the matter his thoughtful attention. So we do not object on that ground but, rather, on the ground that we are dealing with institutions which will continue for a long time, and not necessarily with the people who will lead them in the near future.

Finally, I was very pleased to receive in the mail an invitation from the minister to attend one of the parliamentary functions wherein we whoop it up on a Wednesday evening instead of looking around for something to do. The minister has asked us out to have some fish with him tomorrow night, which I think is splendid. I am sure the fish will be done up in the best methods of the experts of the Department of Fisheries. As soon as I received the invitation, I answered and accepted it—but I do not know that I would have been so happy to accept it if it had had above it the fearsome name of "minister of the environment". However, I am prepared to go along with the Minister of Fisheries tomorrow night and eat his fish, but I would not be prepared to go along with the minister and his government and eat their environment.

• (8:40 p.m.)

Mr. Benjamin: Mr. Chairman, for about two or three minutes I would like to say why I support this amendment. I think it is logical for "environment" to be in the title of the Minister of Fisheries. I hope the minister will not be shy about this. After all, look at the long title of "minister of energy, mines, resources and technical surveys" as it will be in the future. It is a title almost as long as he is and I am. I think the "minister of fisheries and the environment" is a logical title. I for one, and I think many members of this House feel that he is a minister who means business regarding our environment and its treatment.

We feel the same about the Minister of Consumer and Corporate Affairs. We feel that he, more than some of his colleagues, means business. In addition, we like the Minister of Fisheries; we think he is a decent fellow and that his intention is much more apparent in terms of action than that of some of his colleagues. I hope he will be able to persuade his colleagues, who have been sitting around him in a huddle, to accept this amendment. As I said, he is a decent fellow and we think he should have both fisheries and environment in his title. I would hate the minister to not have one of these titles. It might make him only a half-decent fellow. This reminds me of the fellow who after making a reservation on Canadian National got into his lower berth and found two ladies there. He said, "I am sorry, ladies, but one of you will have to leave: I am a half-decent fellow".

In more serious vein, I believe this amendment will be looked upon by the minister and his colleagues as setting out the proper designation for the department. Probably it is one of the few areas where these two designations could be combined. While there is no fishing fleet in Regina-Lake Centre, there is an environment and I would feel much more comfortable if this function were under the jurisdiction of the minister rather than some of his colleagues whom I could name but will not. I express my support for the amendment and for the remarks made by previous speakers.

Mr. McCutcheon: Mr. Chairman, I have no hesitation in rising to support this amendment and what it implies. I think that the title of "fisheries and the environment" is extremely appropriate. I take this opportunity to reiter-

ate what the hon. member for Halifax-East Hants said about the present head of the Department of Fisheries. But, like him, I feel there may be a little trading on his fine reputation in order to bring about this change.

My interest in this matter is probably not as intense as that of some hon. members from the Maritimes and from the east and west coasts. But I assure you, Mr. Chairman, that there are many people from the lower Great Lakes who are affected by pollution as it affects the fishing industry. I deplore the efforts which are being made to downgrade this industry. The problem in the lower Great Lakes is common to both these departments. It is extremely necessary that we have a department to look after the environment and to clean up pollution, because pollution has already depressed the fishing industry. The situation of the fishing industry in the lower Great Lakes is desperate. This is all the more reason why the fishermen should have a department to which they can turn.

The situation in that area is fresh in my mind because only last night I was speaking by telephone to a fisherman from the central Erie area. He is extremely upset and I will tell the committee why. A scientist, an academic, an egghead—and we need them—suggested to this fisherman that it would be better for him if the government gave him some money and moved him. He suggested that they move this man to an inland lake where he could continue to fish. What the heck did he think the man was fishing from—a rowboat or a canoe? How in the name of Harry is a 75-foot tug to be moved to an inland lake?

An hon. Member: Oh, oh!

Mr. McCutcheon: If you would like to make a speech, get to your feet.

The Acting Chairman (Mr. Richard): Order, please.

An hon. Member: Yes, that hon. member is always yacking.

Mr. McCutcheon: That is right. The point is that the Minister of Fisheries is a dedicated individual and we feel sure he will do an excellent job. However, as the hon. member for Halifax-East Hants stated, the present minister will not always hold that position and the next minister may have a different approach to the matter. The question is whether this is the first step in the fishing industry being phased out. Lord, I hope not! In 1968 there were $6,717,000 worth of fish marketed out of the province of Ontario. This is no small amount. As I see it, when the department is downgraded the fishing industry is indirectly also downgraded.

• (8:50 p.m.)

Efforts must be made to clean up pollution, otherwise we will not be able to save the industry. Therefore, I place a very high value on environmental clean-up but I place an equally high value on steps to improve the fishing industry. These aims are complementary; they should be given the emphasis that I have mentioned. With the downgrading of the fishing industry and the fisheries department I fear that we may be blinded by the environmental aspect. Environmental clean-up constitutes a tremendous problem, but we may miss placing sufficient emphasis on the maintenance and improvement of the fishing industry. Therefore, Mr. Chairman, I sincerely hope that the committee will accept this most reasonable amendment.

Mr. McGrath: Mr. Chairman, under this clause of the bill the committee is being asked to give the minister additional powers in the new department and to co-ordinate some of the responsibilities presently held by other departments of government. The duties, powers and functions of the minister of the environment will extend to and include all matters over which the Parliament of Canada has jurisdiction. These include:

(a) sea coast and inland fisheries;

(b) renewable resources, including

(i) the forest resources of Canada,

(ii) migratory birds, and

(iii) other non domestic flora and fauna;

(c) water;

(d) meteorologist;

(e) the protection and enhancement of the quality of the natural environment, including water, air and soil quality;

(f) technical surveys within the meaning of the Resources and Technical Surveys Act relating to any matter described in paragraphs (a) to (e); and

(g) notwithstanding paragraph (f) of section 5 of the Department of National Health and Welfare Act—

Mr. Chairman, I point this out to indicate additional grounds for our concern. In addition to all these new responsibilities which the minister will acquire if Parliament passes this bill, he will have responsibility for matters which now come within his jurisdiction as Minister of Fisheries and Forestry. These are substantial. I think it is worth while to spell them out because they are very important. The minister now has, and will continue to have, responsibility for the following:

Coastal Fisheries Protection Act
Fish Inspection Act
Fisheries Act
Fisheries Development Act
Fisheries Prices Support Act
Fisheries Research Board Act
Great Lakes Fisheries Convention Act
Northern Pacific Fisheries Convention Act
Northern Pacific Halibut Fishery Convention Act
Northwest Atlantic Fisheries Convention Act
Pacific Fur Seals Convention Act
Pacific Salmon Fisheries Convention Act
Whaling Convention Act

In my view, each of these statutes carries with it tremendous responsibilities which are significant and numerous enough to warrant retention of the name "fisheries" in the new department. I am sure the minister is just as concerned as we are. He is not concerned about the present administration because he knows he will continue to devote his attention to the fisheries. However,

he does not know who will follow him, and we may very well end up with a minister of the environment who has no interest in the fisheries of Canada and who has not been remotely connected with them. Such a minister might very well devote his time to those provisions of the act dealing with the environment and the new air pollution bill which the minister introduced a few days ago, or to the Canada Water Act and all the additional legislation which will be introduced under the aegis of the proposed new department.

In his introductory remarks in the debate on second reading the minister suggested that the fisheries interests will be protected by a division of the new department to be designated as, I think, the Canadian fisheries service. This would place the special responsibilities of fisheries in the same category as the Canadian Wildlife Service, the meteorological service, the water section, now under the Department of Energy, Mines and Resources, and parts of the environmental legislation currently under the Department of National Health and Welfare. By his suggestion the minister is inadvertently—I say inadvertently because this certainly is not his intention and I am not placing that construction on what he said—downgrading the department over which he has had responsibility since this Parliament convened 2½ years ago.

I said earlier, Mr. Chairman, and I repeat, that the minister has dedicated himself to his responsibilities as Minister of Fisheries and Forestry. He has done a good job and has introduced new policies and given a new lease of life to the fishing industry of Canada. As a consequence he has made a reputation for himself in the government of Canada. I suggest to him that he is being patently unfair to the department over which he has presided and which has been so good to him. I am suggesting that the minister is selling out to the cabinet in this instance, because I believe the minister subscribes to the view that we should retain the name "fisheries" in the title of the new department. I believe he subscribes to that view because he is genuinely interested in ensuring for all time that this important aspect of the new department will receive the attention it deserves from whoever presides over it in the future.

An hon. Member: Hear, hear!

Mr. McGrath: Perhaps that is why the minister has been reluctant to enter the debate. I think it is very significant, Mr. Chairman, that members opposite, including the minister's new parliamentary secretary who comes from a fishing constituency in New Brunswick, have failed to get to their feet. It is also significant that the hon. member for Westmorland-Kent, who has the honour to be chairman of the Standing Committee on Fisheries and Forestry, has failed to participate in this debate. I think it is significant, too, that the hon. member for Burnaby-Richmond has not risen to his feet to participate in this debate.

Mr. Corbin: On a point of order, Mr. Chairman. The hon. member for Westmorland-Kent is sick in bed. That is why he cannot be in the House tonight.

Mr. McGrath: Mr. Chairman, I apologize and I hope the hon. member for Westmorland-Kent will soon recover and be back on his feet so that he can return to the House and participate in this debate and give us the advantage of his great knowledge. However it would appear that the parliamentary secretary is in exceptionally good health tonight, so what excuse does he have for not participating in this debate? I am also surprised that the independently-minded member for Esquimalt-Saanich has not risen to his feet and seen fit to be present at the examination of this bill in committee. He has great responsibilities and great interest in fisheries, coming as he does from one of the fishing constituencies of British Columbia.

• (9:00 p.m.)

Mr. Marchand (Kamloops-Cariboo): I rise on a point of order, Mr. Chairman. Since the hon. member seems to be taking a roll-call I would mention that the hon. member for Esquimalt-Saanich is in Washington participating in public hearings on the important question of transporting oil in tankers from Alaska to parts of the United States.

Mr. McGrath: Mr. Chairman, the hon. member for Esquimalt-Saanich is a very important member of the House; that is very obvious. I think we ought to consider standing this clause of the bill until he is back in the House.

An hon. Member: What else is new?

Mr. McGrath: In all fairness, I know that the hon. member for Esquimalt-Saanich would wish to participate in the debate. I therefore think that later this day consideration should be given to standing this part of the bill.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Chairman, it is interesting to see the kind of fish that you can catch with so little bait. It is intriguing. Perhaps I ought to make one more cast. I now refer to that distinguished young member for Gloucester.

An hon. Member: He is here.

Mr. McGrath: He has great interest in this bill; I know how important are the Department of Fisheries and the fishing industry to his constituency. It strikes me as very strange that he has failed to speak either for or against this amendment. Perhaps before the evening is over he will honour us with a few remarks. Last, and by no means least, is the distinguished former Parliamentary Secretary to the Minister of Fisheries and Forestry. I am sorry that I do not see him in the chamber.

Mr. Whelan: I am here.

Mr. McGrath: I beg your pardon; I see the honourable and distinguished former parliamentary secretary in his seat.

Some hon. Members: Hear, hear!

Mr. McGrath: I hope that he, too, will honour us with a few words, because the Department of Fisheries was very

good to him. It was not the Department of Fisheries that was responsible for his demise, so to speak. He should not take it out on the Department of Fisheries. When he was Parliamentary Secretary to the Minister of Fisheries and Forestry, the minister placed great stock in his expertise, not because he is a distinguished tomato farmer but because of his great interest in the fishery. He resides in an area where the freshwater fish industry used to thrive before pollution caught up with it.

The Chairman: Order, please. Is the hon. member rising on a point of order?

Mr. Whelan: Mr. Chairman, I wish to say that our area is still a fishing area.

An hon. Member: What is the hon. member's point?

Mr. Whelan: I, along with the fishermen of my area, am more interested in getting on with this legislation than participating in a filibuster. I suggest that the name of the new department ought to be the "department of environmental control and carping".

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Chairman, the hon. member certainly is an expert at carping. I can well understand his interest in the subject. I know how concerned he is about what is happening to the Department of Fisheries. I know that deep in his heart he subscribes to the arguments which were advanced this afternoon and evening, arguments for retaining the word "fisheries" in the name of the new department. Hope springs eternal in the human breast; perhaps some day he will again be Parliamentary Secretary to the present Minister of Fisheries and Forestry. We hope so, because he did an outstanding job. We shall have more to say about that matter when we reach the portion of the bill dealing with the appointment of additional parliamentary secretaries. We are concerned about the way the hon. member was treated.

Some hon. Members: Hear, hear!

Mr. McGrath: We are concerned about the hon. member and his colleagues who served Canada, on the periphery of the government, with such distinction. They never even had a look in. Mr. Chairman, I have run short of bait; the last fish that rose took it all. I have no more fishing to do. This bill before the committee is very important to the part of Canada that I represent. It is important in general to the Atlantic provinces and important to the part of the country represented by the Parliamentary Secretary to the Minister of Fisheries and Forestry. I hope that before the minister gets to his feet the parliamentary secretary will live up to his responsibilities and make a useful contribution to this debate.

Mr. Corbin: On a point of order, Mr. Chairman, may I refer the hon. member for St. John's East to a speech I made at the opening of this debate. At that time I tried to cover the point that he has put before the committee this evening.

Mr. McCleave: Tell us again.

[Mr. McGrath.]

Mr. McGrath: Mr. Chairman, we have not heard those remarks lately so perhaps the hon. member would honour us by repeating them tonight. Some of us did not have the privilege of hearing the parliamentary secretary.

Mr. Corbin: The hon. member was not in the House.

Mr. McGrath: We shall wait until he has had a chance to pick up his music, so that he can contribute something to this debate. After all, he has a responsibility. I think it is a shame that the distinguished Minister of Fisheries and Forestry has sold out to the glory boys in the cabinet, because that is what he did. I know that he is just as concerned as every hon. member who has participated in the debate on this amendment. I want the minister to know that we are prepared to hold up this part of the bill until hell freezes over.

Some hon. Members: Hear, hear!

Mr. Drury: Question.

The Chairman: Is the committee ready for the question?

Mr. Crouse: Mr. Chairman, I had an opportunity this afternoon of participating in the debate. Quite frankly, in view of the well thought-out and reasoned amendment that has been moved by my colleague for St. John's East I was hoping that the minister, having eaten a good fish dinner, would realize that it is a sensible amendment to the bill and would come to the committee and say that he and his party are willing to accept the amendment. Unfortunately, he has not said that that is his intention. I feel that I must again impress upon him the need for including the word "fisheries" first and foremost in the title of the new department. I am, therefore, adding some more words to those that I placed on the record earlier.

After enjoying a fish dinner, I had occasion to read the *Ottawa Journal*. In it I found a most interesting article which more or less endorses some of the remarks I made this afternoon. At that time I pointed out to the committee and to the minister my concern about the loss of one of the most important parts of the fishing industry, namely, the swordfishery of Atlantic Canada.

Mr. McCleave: That has meant $4 million down the drain.

Mr. Crouse: As my colleague has just said, that fishery was worth $4 million to our fishermen in Atlantic Canada. This industry will not easily be replaced. It is not easy for the men concerned to find some new type of employment. They face a multitude of problems which I shall not burden the committee with at this time. The cost of changing their ships to enable them to undertake another form of fishing involves a large sum of money that is beyond their reach.

• (9:10 p.m.)

I know that discussions have been held with the provincial Minister of Fisheries and officials of the federal department. However, to date there has been no solution

of this problem. This raises the question whether the swordfishing industry should be placed in this position because of tests which have been carried out. It questions the validity of the tests and whether they are accurate. I wish to place on record parts of an article which appear in the February 16, edition of the Ottawa *Journal*. The article is entitled "The Great Mercury Mistake". In view of the importance of this industry and the fact that Atlantic Canada is a depressed area, we cannot afford any mistakes that will add to the unemployment we already have.

Some hon. Members: Hear, hear!

Mr. Crouse: I do not know where the regional desks are which advise the Liberal party. If they are functioning, Mr. Chairman, they should be made aware that there are 675,000 unemployed people in Canada. We have more than our fair share of unemployment in Atlantic Canada.

Some hon. Members: Hear, hear!

Mr. Crouse: It is time we stopped playing politics and got down to the nitty-gritty of this issue. It is time we tried to do something not for our political parties but for the people of Canada who sent us here and expect us to do something about the problem.

An hon. Member: All they do is laugh.

Mr. Crouse: Some members may laugh. I read my mail daily. Some of the pleas I receive and forward to members of the cabinet are not funny, Mr. Chairman: they are no laughing matter.

Mr. Bell: Watch your language.

Mr. Crouse: Thank you Mr. Whip. I will try to watch my language. I wish to draw the attention of hon. members to statements made in this article as follows:

> Even the best scientist using the most sensitive and accurate instrument techniques can make mistakes.
>
> In the case of what may become known as "The Great Mercury Mistake of 1970," the public may have become unduly alarmed about reported contamination of important Canadian foodstuffs.
>
> Or at least so thinks Dr. Emmanuel Somers of the federal food and drug directorate (FDD).
>
> And Dr. Somers attempted Monday to set the scientific record straight at the special symposium on Mercury in Man's Environment, sponsored by the Royal Society of Canada and attended by some of the world's leading mercury experts.
>
> Dr. Robert Jervis, a University of Toronto chemist, had reported in May at a Toronto chemical meeting that he had uncovered an "alarming" level of about 0.4 parts per million of mercury in Manitoba wheat flour gathered by federal health officials the previous November.
>
> The accepted maximum level for mercury in food products is 0.5 ppm. Dr. Jervis reported similar levels of mercury in samples of wheat.
>
> Concerned FDD officials, on receiving seven of the wheat and flour samples back from Dr. Jervis, ran some tests of their own later in the summer. They used a technique called atomic absorption, which produced results about one per cent of those reported by Jervis. A later check using neutron activation analysis, the same technique used by Jervis, produced similarly small results.
>
> For example, Dr. Jervis had reported a level of 0.4 ppm. of mercury in a wheat sample. The FDD and other private laboratories revealed levels of 0.007 and 0.012 ppm. of mercury in portions of the same sample.
>
> Similarly, where Jervis showed 0.38 ppm in flour, the FDD and other labs showed 0.007 and 0.010 ppm of mercury.
>
> As a further confirmation, FDD experts believe, a larger "basket" survey of foods purchased in Ottawa area stores in 1969 had shown there were no residues of mercury above the detection limit of the technique used, 0.02 ppm.—
>
> Dr. Somers emphasized that no analytical technique is free from error.
>
> And he criticized the public news media for publicizing what he considered to be unsubstantiated "startling" findings.

These facts are very relevant to the situation which exists today. The federal Department of Fisheries have carried out tests on swordfish. We do not know the method they used or the accuracy of their tests. We do know that the fishermen have contributed fish to the Department of Fisheries, in one case over $34 worth which the federal government is unable to pay for. They have taken samples of fish. The fisherman waiting to sell his fish not only cannot sell his catch but cannot get payment for the samples taken by the federal government for testing. This is the way in which the fishermen are being treated. The Minister of Fisheries who will assume responsibility for this industry must take it much more seriously than at present. I gave the minister every kudos this afternoon for being one of the best Liberal fisheries ministers we have ever had—but his work is far from finished. If he is of the opinion that he can now lay the fishing industry aside and go on to other things, he has another thought coming.

Some hon. Members: Hear, hear!

Mr. Crouse: In a press release to Members of Parliament on December 10 it is stated:

> The offshore catch has increased since 1960, and the inshore catch has fallen off as a result of increased activity out over Canada's continental shelf.
>
> Fisheries and Forestry Minister Jack Davis said: "While fishing with foreign fleets does not conflict with the international law it threatens to deplete our fish stocks. Overfishing has occurred in important areas off Newfoundland and Labrador and entire species are in danger of extinction. This cannot go on—

I agree with the minister 100 per cent that this must stop. What action has the minister taken since this statement was issued that is in any way stopping the overfishing on our offshore banks? I submit there has been no action. What has been the result. The result is that we have yet another industry in Nova Scotia going to the wall. I refer to the saltfishing industry. The minister and his government established the Saltfish Corporation. One of the stipulations in the corporation being established was that the provinces of Atlantic Canada would have to participate in order to be able to buy salt codfish. In answer to a question I directed to the minister recently, he stated that only two provinces, Newfoundland and Quebec, were today participating provinces. Where does this leave those who have a tremendous investment in the saltfishing industry in my native province of Nova Scotia, or those who have an investment in Prince Edward Island or New Bruns-

wick? The minister has been made aware of these problems. In reply to a letter from A. M. Smith & Co. Ltd., dated November 5, the minister stated:

> In 1971, there will obviously have to be a system, and both the corporation and the advisory committee are now concentrating on this problem. Moreover, the 1971 season will also call for a rationalization of the industry because the drying capacity is much too large, both on the basis of 1970 production and what may be expected in future. Allocation of fish to individual plants involves, of course, determination of which plants are really needed in the long run, and what is to be the position of plants in a non-participating province.

This is a serious matter, Mr. Chairman. Yet another of our fishing industries may have to close down. At the present time Nova Scotia is not a participating province. I asked the minister a few days ago what efforts he had made and whether he had used his influence on the Premier of Nova Scotia so that it would become a participating province and could purchase supplies of codfish from Newfoundland. In reading the minister's reply, I was not very impressed. As a matter of fact, he did not choose to answer my question; he simply stated that only Quebec and Newfoundland would be participating provinces. This means approximately 200 more people engaged in processing saltfish in my native province of Nova Scotia will more than likely be unemployed in the near future.

The Minister of Fisheries gave the assurance that Nova Scotia saltfish plants which can perform the services needed, at no greater cost, would receive a reasonable share of fish. However, it would appear that the share allocated to Nova Scotia fish processors has been very small indeed. I mention these matters so that hon. members may realize the extent of the problems facing the fishing industry. These are not dissimilar to those which face other primary producers. I have sat in this House and listened to what has been said on behalf of wheat farmers and western producers. In Atlantic Canada we face equally serious difficulties which require the concentrated effort and attention of a minister of fisheries.

• (9:20 p.m.)

The bill before the House calls for a minister of the environment. The amendment moved by my hon. friend from St. John's East asks that it be amended to provide for a minister of fisheries and the environment. I see only one objection to that amendment—that it comes from this side of the House and has been made by a Progressive Conservative Member of Parliament. This makes the amendment partisan and therefore it cannot be accepted by the government. What a farce this government is and what a sham and delusion it is making of power. Not one Liberal member from Atlantic Canada has had the backbone to stand up and declare himself on this issue. They have the backbone of a jellyfish.

An hon. Member: Hear hear!

Mr. Crouse: They are as limp as the net which hangs over the side of a ship.

An hon. Member: They are afraid of what the Prime Minister might say.

[Mr. Crouse.]

Mr. Crouse: As one of my hon. friends has said, they are afraid of what the Prime Minister might say if they take a stand to indicate that the interests of the people in Atlantic Canada and of those who make a living from the sea ought to be given a measure of priority by the government. I ask, in the name of this vital industry which is struggling desperately for its place in the sun, that we at least give it the benefit of the advertising advantage which would accrue to it if we had a minister of fisheries and the environment.

Some hon. Members: Hear, hear!

Mr. McCleave: Mr. Chairman, I should like to present the argument again from a slightly different aspect than we have heard so eloquently for the last hour or so. I make no apology for it. The last two speeches have been powerful indeed but they have also accomplished something else. We know that my hon. friend from St. John's East, by a skilful flick of his wrist was able to induce many fish to snap at the bait he was throwing out to the committee. This was an amusing display in itself and I hope we all profited from it, including, most of all, the victims. I will not name the victims because they have stood up and been counted.

What impressed me more than that, though my hon. friend from St. John's East is a pretty good angler, was that the message is finally getting home. One could see landlubber members on the other side appreciate that there is more than just a quibbling exercise going on this evening; that there are people here from a part of Canada that feels very strongly that a department which has had strong ties with the history of Parliament should not be allowed to disappear in the way that insensitive technocrats propose it should. I intend to elaborate on this argument again because I think it is important.

As I said before, there is no primary producer in this country who would willingly allow the name of the department serving him to disappear. If we tried to get rid of the Department of Agriculture there would be such a beating of plowshares about the ears of a minister who proposed such a dastardly step that the country would echo and re-echo with it. Perhaps we do not have the same power on behalf of our fishermen or the same acreage to represent, but we intend to do what we can for them.

It seems to me that when my hon. friend from St. John's East was casting his skilful line and drawing those responses, and also when my hon. friend from my neighbouring riding in Nova Scotia, South Western Nova, was making his point, that suddenly there were members on the other side whose consciences were becoming alerted—

Mr. McGrath: Would my hon. friend permit a question?

Mr. McCleave: I wonder if I could finish the sentence first? Then I will be glad to accept a question.

The Chairman: Is the hon. member for Halifax-East Hants prepared to accept a question?

Mr. McCleave: I would like to finish the sentence first and then I will permit a question. I was trying to make a point that there is more than simple pride involved here; there are basic principles involved. Now I will be glad to accept the question.

Mr. McGrath: Would my hon. friend tell the committee whether there is a minister designated as the minister of fisheries in Nova Scotia? Perhaps he could tell the committee how the government of Nova Scotia would react to the downgrading of the department of fisheries and, indeed, the elimination of the department of fisheries in this legislation.

Mr. McCleave: Mr. Chairman, there is a department of fisheries in the government of Nova Scotia. The minister of that department has several other occupations at the present time. I do not think I should get myself into that subject. My hon. friend from St. John's East is so skilful in casting bait—

Mr. McGrath: I am trying to get a rise from the President of the Privy Council.

Mr. McCleave: I prefer to deal with the issue which is before us. I am pleased that the speech made by the hon. member and the speech made by the hon. member from the riding next to mine should have encountered such a reception, because I think that is where the heart of Parliament lies—its essential guts and its essential workability to the people of Canada—when it can respond in a human way, and I suggest that this argument is very much along those lines.

The hon. member who preceded me spoke about the blow which the swordfish industry has received because of the mercury problem. This illustrates the problems the minister will face when he marches off with his new title as minister of the environment. As we know, because the catches have contained a certain level of mercury the whole industry has become suspect and the fish cannot be sold for human consumption. There are serious questions whether the level of mercury, the measuring device, is too high. I shall not deal with this matter. But I would draw attention to the schizophrenic element which is imposed on the Minister of Fisheries and Forestry, soon to become minister of the environment. On the one hand he is being asked to look after fisheries matters, and on the other he is being asked to look after the environment in which all of us live.

• (9:30 p.m.)

I suggest that there are essential conflicts in the duties of the position that the minister must occupy. He must weigh one factor against the other. If he makes a decision relating to one part of his responsibilities, the other part may suffer, which I think is asking too much of any minister of the Crown. I would prefer to see the ministry split into two; then both ministers could be conscientious and could present the best argument that they could make. If one minister was of the opinion that swordfish containing a certain level of mercury would be damaging to human life, the other would be able to argue that over the years swordfish had entered streams containing a fairly high content of mercury and had thus become contaminated. In this way the two ministers could argue back and forth and somebody else could be arbiter. I think no man, even one with the wisdom of Solomon and the sharpest of faculties in the world, should be put in the position of both judge and jury.

Another factor that has to be taken into account both bureaucratically and ministerially is the good old Ottawa pecking order. We all know that within the ranks of the public service of Canada there is a pecking order, and a precious thing indeed it is when you see it in operation. When you have a pecking order within a department consisting of a deputy minister and two assistant deputy ministers, one dealing with the environment and the other with fisheries, who pecks first? Who does the chasing as far as expenditure is concerned? So on the ground of pecking order alone, in addition to this schizophrenic aspect to which I refer, no minister faced with such a conflict could make a success of his portfolio.

As I talk of these things in this chamber I can close my eyes, eliminate the cackle and buzz from opposite and think of parts of Canada where life is lived to the full. Instead of the hubbub and indifference opposite I can visualize parts of Canada where people go out in all kinds of weather to take part in the advancement of this country. I think of people who venture forth in miserable weather to support their families, feed their neighbours and the like.

I can visualize the fishing village of Sambro with its great wharf, albeit inadequate to meet the needs of the fishermen who have made Sambro, in Halifax county, the fishing capital of the North Atlantic. Most of these fishermen are not very talkative, but by God they can fish and bring in the catch. They are not as polished or sophisticated as the yackers opposite, but they know where the action is. Each of these fishermen who owns a fishing vessel is financially obligated to the extent of tens of thousands of dollars. I would ask members of the opposite side, or on this side for that matter, how they would feel if they were faced with such an obligation. What would the minister say—not the one with the money, the other one—if he had a capital obligation of $50,000 to meet at an interest rate of 8 to 10 per cent on a short-term loan, which is all one can get on an asset like a fishing vessel?

I have pressed the minister on three different occasions in the House on this matter. These sword fishermen are facing personal disaster. If they go bankkrupt, then no amount of retraining for any other kind of fishing will help them. If you sent them out fishing sardines tomorrow it would not help them meet their financial obligations. Special boats are required in the swordfishery. This is the sort of conflict that would arise if the fishery and the environment were combined within one department. The minister can sentence these men to a life of debt from which they can never escape; it is as simple as that.

I wonder how many members here tonight would like to be put in that position.

I have made this point because we want greater recognition of this most ancient of government departments. With that I rest my case and I hope the minister will see fit to change his position.

Mr. Otto: Mr. Chairman, I wonder whether the hon. member would permit a question having to do with the schizophrenia that he mentioned in his speech. I listened very carefully to his speech a few days ago and his objection to the bill was that there were too many ministers, too many parliamentary secretaries and too many departments being created. If I heard him correctly this evening, he now wants a minister of fisheries as distinct from a minister of the environment.

Mr. Crouse: That is not true. That is typical Grit distortion.

Mr. Chairman: Order, please. The Chair has recognized the hon. member for York East who wishes to ask the hon. member a question.

Mr. McCleave: Mr. Chairman, may I answer the hon. member's question? This was a point that I made in my speech, it is true, and I have to thank the hon. member for York East for reminding me of it. However, I think a fair reading of my speech would reveal that I was not complaining about the number of ministers so much as about the number of floating ministers, the four or five who will have no specific responsibilities. If the hon. member reads my speech on second reading I think he will find that I did say that. I said I thought it was a shame that with all the reorganization that was planned there could not be one minister specifically assigned to an ancient and honoured government department. I know I said that in my speech.

• (9:40 p.m.)

Mr. Lundrigan: Mr. Chairman, I am really relaxed because the Prime Minister is not in the House.

Mr. Paproski: No, he is not here tonight.

Mr. Lundrigan: Even though it is the Prime Minister's Bill C-207, he is not here and we can be assured that he will not make a contribution to air pollution in the House this evening.

Some hon. Members: Oh, oh!

Mr. Lundrigan: I have lots of support from the rump and I am honoured because I am an unofficial member of that area. I have been invited to their next festival, and I indicate to the committee that I accept that invitation right now. As of today, Mr. Chairman, I understand we do not have to pay.

I want to go on record as strongly supporting the presentations of my three colleagues, two from Nova Scotia and the distinguished member for St. John's East, Newfoundland. Those hon. members presented a very logical argument in support of the amendment that the new department be entitled the department of fisheries and the environment. This seems to be the appropriate nomenclature for the proposed department.

The establishment of this department is the result of a decision by the Prime Minister who is very much aware of pollution in Canada and is concerned about trying to establish a government department to take advantage of an issue which now exists in the United States. Let me direct a question to hon. members from western Canada who are interested in agriculture. I am looking at the government benches across the way and I see that we have here the Minister of Manpower and Immigration who is responsible for the Wheat Board. This minister has a special designation. He answers to Parliament for the Wheat Board.

An hon. Member: That's just a sideline.

Mr. Lundrigan: One of my colleagues indicates that this is just a sideline. Nevertheless, he is responsible for the Wheat Board. I see another hon. gentleman who is away down the list of importance, the hon. member for Medicine Hat who is called the Minister of Agriculture.

An hon. Member: Yahoo!

Mr. Lundrigan: And we have another minister who is called the minister of—I can't remember the name but he is the hon. member for Langelier. I must be careful of my pronunciation in view of the remarks today of the Hon. Jean-Luc Pepin. As a member from a small Newfoundland fishing community, I have to be very careful that I pronounce these names properly. In any event, he is an hon. member from somewhere in la belle province. This gentleman answers to the House in respect of regional economic expansion. When we talk about regional economic expansion we are talking about the great province of British Columbia, we are talking about the great oil sands of Alberta, we are talking about the great northern part of the prairie provinces which are rich in resources. This is an area which some members claim to be the great hinterland development of Canada.

We are also talking about the minister from Cornwall and the minister from Renfrew, where they unfortunately lost their great industry and now have some 200 people unemployed. In any event, he is the minister for that area. We are also talking about the minister who represents a great deal of Quebec where there are 200,000 unemployed at this moment. We are also talking about the minister from Prince Edward Island, the minister from New Brunswick, the minister from Nova Scotia and the minister from the cultural province of Newfoundland.

Mr. Chairman, the last three ministers I have mentioned could really be classified as ministers of rural affairs or rural development, or something to do with rural Canada. I have in mind the Minister of Agriculture, the minister of regional disparity and the minister in charge of unemployment and the disadvantaged areas of Canada. Surely this is what we are talking about. I wonder how the members from western Canada—

Mr. Chairman: Order, please. With great respect, I should like to ask the hon. member whether he is thinking about the amendment which is before the committee.

It is some hours since the amendment was proposed and I should like to remind hon. members that the committee should now be considering that subject. I will not read the amendment, but it is essentially a proposal to change clause 2 of the bill in order to incorporate the word "fisheries" in the title of the new department of the environment. With great respect it seems to me that we should try to relate our remarks to that matter and the question of whether the word "fisheries should be incorporated in the title of that department. I would ask the hon. member to confine his remarks to that subject.

Mr. Lundrigan: Mr. Chairman, I always have the greatest admiration and respect for your person and your office. Perhaps it has not become apparent that my remarks relate to the amendment presently before the committee and I will hasten to abide by the rules of the House and direct my remarks to that subject. I know other hon. members wish to speak on this matter so I will direct my remarks in a relevant way, as Your Honour has proposed to the amendment.

Mr. Alexander: You are right on, John.

Mr. Lundrigan: Mr. Chairman, what I am really saying is that the designation of the minister responsible for the Wheat Board and for immigration—

An hon. Member: And statistics.

Mr. Lundrigan: —statistics, unemployment and manpower, and the Minister of Agriculture and the Minister for Regional Economic Expansion are all involved with rural development. How would hon. members from western Canada, including the hon. member for Peace River, the hon. member from Camrose, the hon. member for Vegreville, the hon. member for Vermillion—

Mr. Paproski: The hon. member for Edmonton Centre.

Mr. Lundrigan: —the hon. member for Edmonton Centre, hon. members from the great province of Manitoba and from the great province of Saskatchewan, feel about the government deciding to eliminate the Department of Regional Economic Expansion, the Department of Agriculture and the Wheat Board and create a department of rural development?

An hon. Member: They don't have to; they are fragmented into non-existence anyhow.

Some hon. Members: Oh, oh!

Mr. Lundrigan: Mr. Chairman, I am getting all kinds of side remarks. How would these hon. members react to such a change? How would these hon. members who are on the bandwagon of the right hon. gentleman—I suppose I can still call him the right hon. gentleman—react to a bill changing the name of those departments? I have in mind the hon. member from western Canada who attended a Liberal organization meeting in Regina. He is concerned with unemployment in Canada. I wonder how the eminent gentleman from Assiniboia would react to a change in the name of the Department of Agriculture. I wonder how the hon. gentleman from the Prairies and the hon. member from the Gaspé—I almost left him out—would react to such changes? That hon. member is a distinguished Canadian who is in favour of retaining the word "fisheries". I should also like to know the reaction of the hon. member who now holds the position of parliamentary secretary. How would the hon. member for Madawaska-Victoria react to the creation of a department of rural development through the elimination of some departments which have been in existence for years? I should like to know how hon. members from the province of Quebec would react to this change. How would they resign themselves to the Department of Industry, Trade and Commerce being eliminated and having in its place a department of manufacturing? What would they say if we put all aspects of economic development, in terms of manufacturing, under one department? How would those hon. members react to the creation of that kind of a department as a subsidiary of another department? I would like those hon. members to stand in their places and indicate how they would react to that kind of situation. I raise this suggestion in the hope that my friends from the rural parts of Canada will indicate how they would feel about that kind of distinction being made in respect of government departments.

• (9:50 p.m.)

Of course, we have not yet reached the stage where we can have a major voice in the Canadian economy. Members from various Canadian provinces have expressed concern today. Our concern about the degradation and downgrading of the Department of Fisheries is not a minor concern; it is a major concern. When Bill C-207 becomes legislation over our dead bodies—

Mr. McGrath: Over the dead bodies of the fishermen.

Mr. Lundrigan: —over the dead bodies of those who are concerned about the fishing industry in Canada, we will represent the only part of Canada which has no department of fisheries. Can you imagine, Mr. Chairman, the federal government taking an initiative to downgrade fisheries to this point? In British Columbia there is a minister of fisheries. His colleague is now visiting Washington, but he will be back and I have great confidence in his ability to show the Canadian people his concern for the fishing industry. We have many members from British Columbia. Last year, as a member of the fisheries committee I visited the southern part of British Columbia and Vancouver Island, as well as some parts of the great constituency of the Minister of Public Works for whom I have great admiration.

The point I wish to make is that I also visited the northwestern part of British Columbia and the area of Prince Rupert. I remember running into a gentleman there who is a member of the Legislative Assembly. I refer to Mr. Britt who comes from Prince Rupert. Some members are acquainted with him. He was not only a member of the British Columbia Legislature but he also became a great mayor of the municipality of Prince Rupert. This man was born in Fogo, Newfoundland and in the constituency of Gander-Twillingate.

Of course, this is how we have contributed to Canadian confederation: we have exported our great men to the

various parts of Canada and they have contributed in many fields, not the least of which is the fishery. In any event, the fact is the department of fisheries in British Columbia is a major department. This industry is a major one in British Columbia's economy. In the various prairie provinces where the fishery does not have a position of great priority it is, of course, a recognized feature of the economy of some areas in terms of the freshwater fishery.

I remember reading about the impact of the fresh fish marketing board and the legislation introduced by the Minister of Fisheries, which I believe was piloted through the committee inadequately by an hon. member who is sitting in the chamber tonight. Then we come to the province of Quebec where there is a minister of fisheries, and Ontario, Nova Scotia, New Brunswick and Prince Edward Island which also have ministers of fisheries. Newfoundland has a minister of fisheries. In that province this title was assumed over the last 20 years. I am trying to point out that in all these provinces this is a major aspect of the economy. Now we are to have a downgrading of the fisheries department to the point where it will no longer exist even on the Prime Minister's roster which is open to a great deal of question.

When we became part of Canada 22 years ago we did so with the understanding that there would be at least some initiative on the part of the federal government in respect of fisheries. I do not doubt for a moment that it is questionable whether constitutionally the federal government can move toward eliminating a department of government which has responsibility for a major part of our economy, without consultation with the provinces.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lundrigan: Mr. Chairman, some members of the Liberal party are not satisfied with that suggestion. I raised this matter in the House of Commons some time ago. I asked the Minister of Fisheries what consultation had taken place and he said that we do not interfere with their legislation so why should they interfere with ours? He said that if we want to have a department of the environment and eliminate the Department of Fisheries, what does that have to do with the governments of Newfoundland, Prince Edward Island or New Brunswick?

I remind the minister that when we entered the Canadian confederation we assumed that fisheries would occupy a priority position in this nation. I say right now that the hon. member who says we are being double-crossed is right; this is what is happening. A major part of the economy in our province is the fishery. The hon. gentleman who sits on his fanny down in the rump and does not say anything day after day—what is his name; would someone place his name on the record? He sits here day after day and does not say a word. What is that gentleman's name? This hon. gentleman sums up the concern of members opposite for the fisheries, and that is not very much.

We came into confederation on the assumption that the government of Canada would pay some attention to the problem of our environment and our economy. Out of 75,000 workers in Newfoundland there are 20,000 in the fishing industry. Am I to stand up here as a member representing these people and see fisheries go out the window? Would that be responsible behaviour on my part? Should I not accept the amendment of the hon. member for St. John's East and the arguments of my colleagues from Nova Scotia?

As a member of a confederation of 22 million Canadians, representing 75,000 Newfoundlanders in this House of Commons—and this should apply to a member from any province in Canada—I cannot permit this kind of legislation to pass, because it will downgrade the role of one of our major industries to a level where it will never be heard from again in this House of Commons.

I call it ten o'clock, Mr. Chairman.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Ricard: Mr. Speaker, I should like to ask the President of the Treasury Board what the business will be for tomorrow.

Mr. Drury: Mr. Speaker, tomorrow we will continue the filibuster.

Some hon. Members: Shame!

Mr. Ricard: Will the minister be the first speaker?

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

INFORMATION CANADA—REPRESENTATIONS FROM PUBLISHERS OF ORIGINAL CANADIAN BOOKS RESPECTING ASSISTANCE

Mr. Doug Rowland (Selkirk): Mr. Speaker, on Wednesday, January 27, as recorded at page 2820 of *Hansard,* I asked the Minister without Portfolio in charge of Information Canada whether he had received representations from Canadian publishers of original Canadian textbooks requesting government assistance and, if so, whether the government had given consideration to those requests, and also when the House might expect a statement on government policy concerning this matter. The question of making viable the Canadian book publishing industry is one which must interest any Canadian concerned about the continued existence of this nation.

In the autumn of this year W. J. A. Gage Limited, a Canadian publishing company, was taken over by U.S. interests and the government did not utter a peep. In answer to a question which I placed on the Order Paper, question No. 270, I was informed that in 1968, at the time when W.J.A. Gage was still Canadian-owned, 22 Canadi-

an companies supplied textbooks to Canadian schools and provided only 40.3 per cent of the total factory shipments of textbooks to Canadian schools.

Since then W.J.A. Gage and Ryerson Press, two of the largest Canadian publishers of textbooks, have been sold to American interests, again in the case of Ryerson Press without a peep being uttered by the government. Thus, the percentage of the textbooks being supplied to Canadian schools by Canadian publishers must be substantially below the 40 per cent figure supplied to me in answer to my question. I suppose that figure now would be approximately 20 per cent, since Ryerson and Gage were two of the largest publishers of textbooks.

What has been the result of this situation? I can give one small example from my own experience. I have a seven-year old son who is attending a Canadian school. The teaching aids provided to his teachers for assisting him in the learning process are issued by U.S. publishing houses. The result is that he knows all about the American Pilgram Fathers, even the obscure fact that a ship called *Speedwell* accompanied the *Mayflower* on the first portion of her voyage across the Atlantic. Had it not been for his mother and myself, he would know nothing about Cabot, Cartier, Champlain, LaVerendrye and the other Canadian explorers.

What I am saying is that because of our government's lack of interest in ensuring that Canadian literature, Canadian textbooks and Canadian magazines are given the same opportunities to be seen, purchased and read by the Canadian public as are their American equivalents, all that remains of a distinctive set of values, attitudes and outlooks—the underpinnings of a distinctive way of life in this country—is rapidly being engulfed and submerged by the wave of printed material from south of the border. No wonder we are confused when we attempt to define the Canadian identity.

I am also suggesting that it is essential that the government take immediate action to correct this situation, which perhaps constitutes an even more pressing danger to our existence as a nation than does the U.S. ownership of most of the other key areas of our economy—and that makes my hair stand on end. I suggest that the government must immediately give financial assistance to the Canadian book publishing industry if more Canadian publishers are not to go broke or be taken over, and if the nation is to avoid a cultural catastrophe. The Massey commission made us see the need in other areas of cultural endeavour and the Canada Council is one of the results. We need a similarly imaginative approach if we are to save what is left of our book publishing industry and to foster a native Canadian literary tradition.

I am not suggesting any sort of artificiality; I am suggesting that Canadians possess the talents and intellectual resources to produce in this area of endeavour if the opportunity were presented to them. It is not being presented to them largely because the economics of research and production militate against Canadian publishers being able to compete on any sort of equal footing with their U.S. counterparts, especially when the distribution and sale of general trade books and magazines in Canada is also in the hands of U.S. owned companies such as Benjamin News, American News and United Cigar Stores. To meet the need in Canada for a healthy publishing industry, a need which must be met if we are to remain a sovereign entity, this government must take action in a number of areas simultaneously.

First, it must create a Canadian book development corporation similar to the Canadian Film Corporation, which would share the cost of the printing of books likely to make a profit and which would also share the profits. Here it is necessary to caution that books could not be considered individually but, rather, each publisher would submit a group of books for consideration, hoping to achieve a profit with the whole group while perhaps sustaining a loss on one or two of the books within the group.

Second, the Industrial Development Bank or an extension of it would have to make long-term, low interest loans available to publishers so that they would not become totally dependent on the Canadian book development corporation for operating capital, since that organization might very well develop certain rigidities.

Third, regulations would have to be developed to ensure a market outlet for Canadian books, something which is not presently the case because, in part, the distribution system is largely controlled by American companies. This would enable greater quantities of Canadian books to be printed, thereby making them competitive in price with their American counterparts.

Fourth, more funds must be made available through the Canada Council and the Humanities Research Council for the production of scholarly and prestige publications, and both those organizations must be made more responsive to the needs of Canadian book publishers.

Fifth, a Canadian publishing house must be established in the United States, just as foreign publishers are now represented in Canada, in order to give Canadian books meaningful access to the vast American market with its potential to lower costs by permitting printing in greater quantities. I would like hon. members to note, Mr. Speaker, that each of these measures is positive in nature and in no way restrictive. They reflect my confidence that the Canadian literary and scholarly community can compete with any in the world, once placed on a roughly equal financial footing.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am replying to the hon. member for Selkirk's question on behalf of the Minister without Portfolio responsible for Information Canada and Citizenship, who is unfortunately absent from the House this evening because of a previous departmental commitment. I listened to the hon. member's words with considerable interest and paid close attention to his concern which is shared by many.

The minister wishes me to inform the House that in the interest of both his major responsibilities for ensuring adequate access to information about federal government activities and for developing the proper resources for Canadian citizenship, he has been engaged along with other of his cabinet colleagues in discussions with periodical and book publishers in Canada. As this House

knows, the problems of finding a balance of policies that will ensure the health of Canadian publishers of all kinds and ensure access for all Canadians to the literature of the world are many and complex. All avenues of activity of the federal government that can contribute solutions to these problems are being actively investigated. As the government's publishers, one of the largest publishers in Canada, Information Canada is heavily involved in these investigations.

We have also been exploring ways in which other countries with comparable problems are providing for their solutions. Because of the complexities involved, I anticipate no formal statement to the House relating to all of these activities at the present time.

LABOUR CONDITIONS — UNEMPLOYMENT — IMMEDIATE AMENDMENT OF UNEMPLOYMENT INSURANCE ACT IN VIEW OF INCREASE IN FUND—INCREASE IN FEDERAL SHARE OF WELFARE COSTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on February 2, I asked the Prime Minister (Mr. Trudeau) whether the government was giving consideration to increasing the percentage of costs paid by the federal government to the provinces and municipalities for welfare, in view of the very sharply increased costs to the cities and provinces last year as a result of the government's policies to combat inflation, which have led to a marked increase in unemployment. The Prime Minister replied simply that the federal government shares the cost of welfare with the provinces and the cities by paying 50 per cent of all costs.

Mr. Speaker, the Prime Minister ignored the point I was trying to make. I hope that the Parliamentary Secretary to the Prime Minister (Mr. Danson) who I presume will be answering for the Prime Minister, because he is a member from metropolitan Toronto and because the issue which I raised has been so sharply delineated in the past few days in that area will not give me the kind of Paul Martin answer, which is no answer, that he gave to my colleague the hon. member for Selkirk (Mr. Rowland). A very short investigation which I made last week brought forward some interesting statistics. In metropolitan Toronto the cost of welfare will rise from $50 million in 1970 to $75 million in 1971. The only good thing I can say about that, Mr. Speaker, is that some of the wealthier constituents represented by the parliamentary secretary may have to pay more taxes to help meet that bill. In my own city of Winnipeg, costs have gone up from $3,900,000 in 1969 to $5 million in 1970. Officials of the welfare department estimate that costs for 1971 will rise to $6 million. Hamilton, which is a prosperous city with a tremendous amount of basic industry and with well paid workers, is to pay an increasing amount. Welfare costs to the city will have risen from $1.5 million in 1969 to an estimated $2.5 million in 1971. In Windsor, the auto capital of Canada, welfare costs in 1969 were $1.6 million; in 1970 they were $2.27 million. In Calgary, the oil capital of western Canada, welfare costs went up from $200,000 in 1969 to $450,000 in 1970. It is estimated that in 1971 they will be $550,000.

[Mr. Danson.]

• (10:10 p.m.)

I am not talking about the total cost of welfare in those cities; I am talking about the actual amount which has been paid and will be paid by the local taxpayers. I have not been talking about the 50 per cent of the welfare costs which are to be paid by the federal government, or of that percentage which varies from province to province and which is paid by the provincial governments; I am talking about the actual sums of money which are to be paid by the municipalities which I have mentioned, as well as by other cities in Canada—

Mr. Douglas (Nanaimo-Cowichan-The Islands): Out of property taxes.

Mr. Orlikow: —out of property taxes. With living costs rising as rapidly as now—the increase for January was almost half of one per cent—this has become a very serious matter for the cities and for the taxpayers in those cities. I urge the government to reconsider its hard-headed and hard hearted decision not to increase the federal share of welfare costs beyond 50 per cent. After all, the large increase in welfare costs has been caused by the very serious increase in unemployment. At present our unemployment is higher than it has been at any time since the end of World War II. It is no accident that this unemployment exists, that 668,000 people were out of work in January, they were out of work as a result of policies devised by the federal government.

The Prime Minister would like us to forget what he said one year ago. When defending the anti-inflationary policies of his government, he said that the government was going to be tough, and that if people thought that the government would not be tough they ought to disabuse themselves of that idea. The Prime Minister, who of course has never been unemployed and has never experienced any difficulties, was prepared to tolerate a 6 per cent unemployment rate if that would help to overcome the threat of inflation in Canada.

The present rate of unemployment is not 6 per cent; the actual rate is 8 per cent as calculated by the Dominion Bureau of Statistics. Because of this large-scale unemployment, because many people have been out of work for more than six months, because many people have exhausted their unemployment insurance benefits and have been forced, through circumstances created by the federal government, to apply to the cities I have mentioned and to all other cities in Canada for welfare, costs in welfare have increased. These increased costs have resulted directly from federal government policies. I think, therefore, that the federal government ought to increase its share of those costs, if only on a temporary basis, if only in this emergency situation, beyond the present level of 50 per cent to 65 per cent.

I suggest this percentage to the parliamentary secretary. I hope he will bring it to the attention of the Prime Minister, who may not give me the kind of answer that he is alleged to have given to another member in the House today. I urge the government to give serious consideration to the suggestion I have made. It has also been

made by other mayors in cities from one end of Canada to the other. Those mayors are not members of the New Democratic Party; some of them are known Liberals and known Conservatives. They are faced with tremendous increases in costs which they in turn have to pass on to local taxpayers. The local taxpayer is finding this burden increasingly difficult if not impossible to carry.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Thank you, Mr. Speaker; I am "on live" this time. Yesterday I and some of my colleagues, including two from the hon. member's party, met with the municipal council of Toronto to discuss some of these problems. They arise from some of the difficulties we face with a rather inadequate tax base. I think it is unfair to the municipalities that the tax base is mainly on property tax. In my opinion, that is an unfair distribution, one that should be rectified.

It is true that we have a tax sharing arrangement with the provinces whereby the government pays 50 per cent. In the hon. member's province and mine, the province pays 30 per cent and the municipality picks up the tab for the other 20 per cent. It is interesting to note that some provinces do not pass along any of the costs to the muncipalities. They are not necessarily rich provinces. I refer to provinces such as Newfoundland and New Brunswick. Perhaps this is an area for a complete study of the tax base and structure within the province, which is an increasing problem.

The expenditures of other levels of government are increasing as is a percentage of our gross national product. The municipalities are being strangled. This is not only because of welfare payments but because of sewers, subways, parks and many other services which the municipalities have to provide. If the federal government became centralized and paid the complete cost, the provincial government could lose these powers. In some cases this is not even a possibility: sending money is not the answer. We have to look at the more fundamental causes of the difficulties, causes which we vividly saw when discussing this situation with the municipal council of Toronto yesterday.

As our cities grow and as a greater percentage of our population flows into the cities, a trend which we know will continue, we must reshape our whole tax structure within the muncipalities and provinces. Certainly we have to do it federally. We are far from perfect. We are trying to do something along this line. That is not the only answer. Relief of unemployment is of prime concern to the government as it is to all members. I think we have to do something to provide relief. The answer is not relief by way of handouts; it is in trying to stimulate jobs. In so far as the cities are concerned, the most promising factor is the new housing starts announced the other day by the minister responsible for housing. Sixty thousand new jobs will be produced directly. This is a direct infusion into the economy.

Mr. Speaker: Order, please.

Mr. Danson: This has the greatest multiplying factor.

Mr. Speaker: Order.

Proceedings on Adjournment Motion

AGRICULTURE—CONSOLIDATION OF FARMS—PRESERVATION OF FAMILY FARM

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on February 3, I directed the following question to the Minister of Agriculture (Mr. Olson):

> In view of the continuing and real threat to the existence of small and medium-sized farm units, is the Minister of Agriculture prepared to tell the House whether his study to encourage the adjustment of farm units to a more efficient size has taken into consideration the importance of the preservation of the family farm?

As suggested by Your Honour, this question was very general in nature and it was considered to be a representation to the minister. I now refer this question to the Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard).

• (10:20 p.m.)

The farmer has always been very self-reliant. Self-reliance is not a vague political slogan; it has meaning for every citizen, for every group and for the nation as a whole. A self-reliant individual is one who co-operates with others, one who is willing to help others and is willing to be helped by them; but one who does not depend on anyone else for food, clothing or shelter. He lives on what he earns, so he is truly a free person beholden to no one. This was once the position of the vast majority of our people and in particular it was the position of many thousands of farmers.

I suggest to the parliamentary secretary that today few farmers are in a position to be self-reliant. They are faced with a further increase in farm machinery prices. The government refuses to do anything about this even though the Barber commission recommended that an investigation be made under the Combines Investigation Act into collusion among farm machinery companies. Farmers are unable to buy the machinery they need and pay the high interest rates presently charged. When they try to re-purchase land which was taken from them by government agencies ten years ago, they find in many cases that the price has increased by 345 per cent, quite apart from interest charges. This makes it impossible for the small farmer to preserve his way of life. We realize there has to be social and economic planning but we believe there must be a strong rural community, and building a strong rural community means that social as well as economic structures must be taken into account.

In the proposals for a production and grain receipts policy there is one paragraph in particular which affects every individual in this country who is involved in the agricultural economy. It is to be found under the heading, "Encourage the adjustment of farm units to a more efficient size" and it states:

> The problem of farm consolidation is one which is not peculiar to the prairie region and which, perhaps, is less critical in this region than in other areas of Canada. It is therefore believed that it would be inappropriate to propose programs for the prairie region to deal with the consolidation issue in advance of the availability of programs to deal with this problem in Canadian agriculture generally. Such a general plan is in preparation.

I urge the parliamentary secretary to tell the House tonight, to tell those who are concerned about the agricultural economy and the preservation of the family farm, exactly what the government has in mind as far as the consolidation of farm units is concerned. It is our position in the NDP that one ought not to consider a stabilization plan without taking into consideration the special place which family farm units occupy in our national life. If we are really concerned about the preservation of the family farm and about social and economic conditions, we must take into consideration the probable effect of the paragraph I have just quoted upon the farming economy, its effect upon the producers.

In closing, I contend that since the agricultural industry is the most important industry in Canada it is high time we paid more attention to it and let the actual producer know what is going on in any plan which may affect him, especially as far as the family farm is concerned.

[*Translation*]

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish first to thank the hon. member for Moose Jaw (Mr. Skoberg) for the arguments he has just developed in the House and I can assure him that the future of family farms is certainly something of concern for all members of the House and particularly for the officers of the Department of Agriculture. Certainly no member can brush aside the subject of family farms but I simply wish to point out to the hon. member that there are several types of family farms and that their future depends chiefly on the families which operate them.

In any case, we do not have much time and I wish to assure the hon. member that the studies carried out so far by the Department of Agriculture on the question of low income farms and operations known as family farms, whatever their size, have always taken into account the expectations and objectives of the people concerned and it will continue to be so in the future.

In the preparation of programs, it has been clearly established that family farms consolidation will depend on the decision of those who have to bear the consequences of such an operation, namely the farmer and his family. I think this is the most satisfactory way to insure that the farm structure of the future will be acceptable to those who shall make a living from it.

I must also remind the hon. member that as late as yesterday the Minister of Agriculture (Mr. Olson) indicated that discussions are under way between all ministers of Agriculture and premiers with a view to establishing the adjustment policy to be introduced in the House eventually and I can assure him further that there will be a high degree of consultation so that hon. members, the government and the people concerned can work out a system which will take into account the farmers' interests and aspirations.

I wish to assure him sincerely that we are very much concerned by the present state of family farms.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, February 17, 1971

The House met at 2 p.m.

PRIVILEGE

MR. McGRATH—SITTING OF STANDING COMMITTEES WHILE GOVERNMENT ORGANIZATION BILL UNDER CONSIDERATION IN COMMITTEE OF THE WHOLE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege, notice of which I have given to Your Honour. My question of privilege arises out of the point of order that I raised yesterday concerning the business of the House wherein I found myself being denied my right and, indeed, my obligation as a member of the House to examine every bill that is placed before the House by the government. I also find that what would appear to me to be a prima facie case of privilege in the denial of these rights is in direct conflict with the Standing Orders of the House. It is this aspect of my point of order on which I am basing my question of privilege.

The duties and responsibilities placed upon members under the Standing Orders of the House, and in particular the unnecessary conflict caused yesterday in those duties and responsibilities by the government calling an order that put the House into committee of the whole on a bill, resulted in my being deprived of my right and obligation to examine bills. Standing Order 5 reads:

> Every member is bound to attend the service of the House, unless leave of absence has been given him by the House.

Standing Order 65(8) reads:

> Standing committees shall be severally empowered to examine and inquire into all such matters as may be referred to them by the House and,—to sit while the House is sitting.

• (2:10 p.m.)

Further, Standing Order 65(10) provides as follows:

> In a standing or special committee, the Standing Orders of the House shall be observed so far as may be applicable, except the Standing Orders as to the seconding of motions, limiting the number of times of speaking and the length of speeches.

Still further, Mr. Speaker, Standing Order 55(1) provides as follows:

> The Standing Orders of the House shall be observed in committees of the whole House so far as may be applicable, except the Standing Orders as to the seconding of motions limiting the number of times of speaking and the length of speeches.

It follows then, Sir, that every member of the House is under an obligation to attend the House in committee of the whole. If he is a member of a standing committee or of a select committee which is empowered to sit while the House is sitting, he is also under a duty to attend that committee meeting.

Obviously, Mr. Speaker, the day to day business of the House known as Government Orders should be so arranged as to reduce the incidence of such conflicts of duty which weigh upon a member, and that is the position in which I as a member of the House found myself yesterday. Obviously, when the House is in committee of the whole to consider a bill, no committee should meet. No standing committee of the House should meet while the House is in committee of the whole because the committee of the whole House, as the name implies, means just that, the committee of the whole House, and it would preclude and pre-empt any other meetings of standing committees notwithstanding any other orders made by the House.

My rights, Mr. Speaker, have been transgressed. I found myself in the position yesterday of having to be in three places at the same time to attend to my responsibilities with respect to the examination of three important bills, on two of which I had amendments. I look to you, Mr. Speaker, as the custodian of our rights and privileges to protect my rights as a member of the House notwithstanding what the rules may be. Accordingly, I would like to move a motion, with leave of the House, seconded by the hon. member for Peace River (Mr. Baldwin):

> That Standing Order 65 be amended by adding thereto next after sub-order 12 thereof the following:
>
> (13) A standing, special or joint committee shall not sit while the House is in committee of the whole to consider a bill.

Mr. Speaker: The hon. member for St. John's East gave notice of the question of privilege which he proposed to raise today. The hon. member had indicated yesterday, when he brought the same problem to the attention of the House on a point of order, that he might in due course give thought to the possibility of submitting the problem to the House by way of a question of privilege. The notice was given within the required time but barely so in the sense that there was not all that much time for the Chair to consider all the implications of the important point raised by the hon. member. At the same time, because of the fact that he had brought up the situation yesterday I have been giving consideration to it. I have been wondering and discussing with my officials whether the point is well taken and whether we are in difficulty and contravening in some way not only the rules of the House but the privileges of our Parliament by allowing standing committees to sit at the same time as the committee of the whole House.

I suggested to hon. members yesterday, in commenting on the point of order raised by the hon. member for St. John's East, that there was nothing new in the House sitting in committee of the whole at the same time as standing committees were sitting, and there were some muffled comments from some hon. members suggesting

that perhaps I was wrong. I immediately thought that maybe I was and backtracked a little bit, saying that perhaps I was wrong, that I had nothing to back my suggestion up that for many years, for generations of parliamentarians, we have had special committees, standing committees, joint committees, many kinds of committees, sitting at the same time as the House was sitting either as the House or in committee of the whole.

I have since consulted authorities on the subject, hon. members and others who have been in this institution for many years and others who have experience of the history of our Parliament over a period of 100 years, and with great humility may I say that my suggestion of yesterday has been confirmed. It has been suggested to me that not one year has gone by since confederation when this kind of situation has not happened, that is to say, where we have had special committees or standing committees of the House sitting in competition, if I may use that word, with the committee of the whole.

I really find it difficult to conceive in my mind why it should be worse or more offensive to the concept of parliamentary privilege to have a committee sit while the House is in committee of the whole than it is for a committee to sit while the House is sitting as the House itself. I just cannot understand or conceive that the committee of the whole is more important than the House itself. This is the suggestion that is being made in the motion moved by the hon. member, that we should not have standing committees sitting while the committee of the whole sits. He is suggesting that although standing committees should and could sit while the House is meeting, they should not and could not sit while the House is sitting as a committee of the whole. This I find extremely difficult to accept.

Mr. Lambert (Edmonton West): Except for the votes.

Mr. Speaker: The hon. member makes the same protest as was made yesterday, but I would suggest to the hon. member for Edmonton West and to other hon. members who may want to protest that this has been a practice of the House for 100 years. It may well be that we have been wrong all along. I am not saying that we have not been in error in past years and that the practice should not be changed. What I do suggest to hon. members is that this practice has been established for a long time.

Should we change the rules if there is something wrong with our practice? It may well be that we should change the practice. But hon. members know that the new Standing Order 65(8) has been approved by the House. This change was recommended by a committee of which the Speaker was not a member. I might say that in those years I thought the Speaker should have been a member of the committee, but ever since then I have thanked the good Lord that I was never a member of that committee because every time points of order were raised I would have considered myself personally involved. I can now deny all responsibility for any of the decisions that were made. But not having been a member of the committee and, at the same time, distinguished members of all parties of the House having been members of the committee and having made recommendations to the House which were accepted by the House of Commons, I find it difficult to accept the contention that the rule should be changed simply by order or ruling on the part of the Chair. Certainly I do not want to give my judgment priority over the judgment of that committee. It was a very good committee which made what were, I thought, valid recommendations in some respects in any event, which recommendations were accepted by the House.

I say all of this in a general way. This is my natural reaction to the point that has been raised by the hon. member for St. John's East. I said yesterday that I thought there might be a very legitimate grievance in the sense that there should be an effort made by the different House Leaders to get together and make sure that we do not put ourselves in the position of having a very important bill before the House requiring members to be present because of the vote and other situations while at the same time there are three important committees sitting in competition with the sitting of the House.

• (2:20 p.m.)

I believe that there is something awkward, something wrong, with that position. Should it be changed by the type of motion that has now been proposed by the hon. member for St. John's East? I doubt it very much. I would think this might be the kind of situation that should be looked into by the Committee on Procedure and Organization rather than by another committee of the House. I would be prepared to look into the matter because of all of this and because of the very interesting point made by the hon. member. I am not prepared to make a ruling now but to look into the matter further, study the situation and make a ruling in due course.

In passing I might refer to the point made by the hon. member that Standing Order 5 requires that an hon. member shall attend the service of the House. I have always thought, and I still do, that the service of the House is discharged by an hon. member whether he attends the House as it is at present, the committee of the whole or a standing committee of the House. I believe this Standing Order requires that there be service of the House, and for many reasons I would think that hon. members do not hesitate to consider themselves as having attended the service of the House at the end of a month when they have been attending meetings of standing committees. I say this by way of passing comment. The point is very important and fundamental and requires the consideration of the Chair rather than merely passing or fleeting remarks such as those I am making now.

I am prepared to follow the suggestion of the hon. member for St. John's East and the suggestions made during the short debate we had yesterday that this matter be considered. My thought was that I would attempt to have a meeting of House Leaders. I am prepared to have such a meeting either today or tomorrow to see whether we might as the House of Commons and parliamentarians together find a solution to the problem which will be acceptable and will satisfy hon. members

that we can operate efficiently sometimes in spite of our rules.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to make a brief suggestion. When Your Honour is considering this matter I hope you will differentiate between the House when it is sitting with the Speaker in the Chair and when it is in committee of the whole so far as voting is concerned. When there is a vote in the House members are called to the chamber by the bell whether they are attending committees or wherever they may be. When the House is sitting in the committee of the whole and there is a vote it is a standing vote with no names recorded. This is a very important matter when we are dealing with bills clause by clause.

My other point concerns the roster system. In view of our rules I think this system should be examined because ministers are never present when urgent questions arise.

Mr. Speaker: I thank the hon. member for Calgary North, but I am not sure that the roster system should necessarily be considered in relation to the point raised by the hon. member for St. John's East. The matter of voting is important. It was brought to the attention of the Chair a moment ago by way of an *obiter dictum* coming from the hon. member for Edmonton West. This very important aspect of the matter will be given consideration by the Chair in consultation with hon. members. The Chair has a responsibility but hon. members as members of this institution also have a responsibility, and I call upon them to share the responsibility with the Chair.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

First report of Standing Committee on Transport and Communications, in both official languages—Mr. Lessard.

[*English*]

JUSTICE AND LEGAL AFFAIRS

Third report of Standing Committee on Justice and Legal Affairs—Mr. Tolmie.

[*Editor's Note: For text of above reports see today's Votes and Proceedings.*]

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MAIN ESTIMATES, 1971-72

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1972, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

Main Estimates

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the estimates which have just been tabled contain $14,352 million in budgetary expenditures and $989 million in non-budgetary expenditures, the latter being for loan, investment and advance items for which authority has to be sought in appropriation acts. It will be understood that there are other non-budgetary expenditures which do not appear in the estimates and rely for their authority on other statutes, such as the loans to the Central Mortgage and Housing Corporation authorized under the National Housing Act.

These estimates are $1,004 million higher than the forecast expenditures for 1970-71 and $1,442 million higher than the main estimates for 1970-71. If one compares these estimates to forecast expenditures for 1970-71, it will be found that as usual more than half the increase, or about $560 million, is accounted for by increases in statutory items, those items whose magnitude is determined by provisions of some Act of Parliament now in force.

Most prominent among these increases in statutory items are those for the programs under which the government gives unconditional transfers to the provinces or shares in the costs of health, welfare, and post-secondary education with the provinces. In addition there are increases to be met in the cost of servicing the public debt, in student loans, in contributions to the unemployment insurance fund and in contributions to the government employees pension funds. There is also one instance of a large reduction in a statutory item, that for carrying costs of wheat reserves and advance payments—a reduction occasioned by increased shipments which have reduced quantity expected to be in storage and because of higher repayments of advances.

Again comparing 1971-72 main estimates to forecast expenditures for 1970-71, there are substantial changes being made in the expenditures in respect of which the federal government is able to exercise greater discretion in deciding on the pattern of resource allocation. These changes reflect new initiatives and new emphasis in areas most of which are generally accepted to be of the highest priority to Canadians, including: regional economic expansion, occupational training for adults, Indian and Eskimo affairs, bilingualism development, northern development, grants to industry by the Department of Industry, Trade and Commerce, citizenship development.

These estimates also contain proposed expenditures for a department of the environment, consistent with proposals contained in the proposed Government Organization Act, 1970. In a similar vein, the estimates contain a proposed budgetary allocation to a ministry of state for urban affairs and housing which would be created under the authority of the proposed Government Organization Act.

The new department of the environment is to be made up from the Department of Fisheries and Forestry and from certain programs and activities drawn from the Department of Energy Mines and Resources, the Department of Transport, the Department of Indian Affairs and Northern Development, and the Department of National Health and Welfare. In examining the year to year

changes in estimates levels for these departments these transfers should be borne in mind. All of these responsibilities would be financed in the new department given Parliament's approval of the Organization Act and of these estimates.

Another large apparent increase in the estimates, that for external affairs, reflects a decision of the government to combine under the direction of external affairs the administrative support services for the overseas operations of several departments. It is hoped in this way to achieve greater efficiency in such support services. The increase in external affairs is offset by decreases in the other departments.

• (2:30 p.m.)

Last year when I tabled the main estimates I drew the attention of hon. members to the new form of the estimates which I said evidenced our attempts to "improve the process of resource allocation and to better inform Parliament and the people of Canada of the objectives, operations and costs of the departments and agencies of government".

Because of the importance this administration attaches to informing the people of Canada about the processes and decisions of government, we are going one step further at this time. The tabling of the estimates is being used as an occasion on which to provide a greater amount of information about the estimates to the people of Canada in the form of a special booklet which will be distributed to all members of the House today and which is being made available to the press. The booklet will be available through Information Canada across Canada upon request of members of the general public. It is entitled "How Your Tax Dollar is Spent"—a taxpayer's introduction to the spending plans of the government of Canada for the fiscal year beginning April 1, 1971.

Some hon. Members: Oh, oh!

Mr. Drury: I cannot claim authorship. The booklet describes the process by which the government reaches its decisions in the allocation of resources to recommend to Parliament in the estimates. It describes as well the allocation recommended for the particular year 1971-72 in terms of the priorities of the nation and consequently of the government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, if it had not been indicated that the document that was handed to me a few minutes ago came from the President of the Treasury Board I would have thought that this was also one of the products of Information Canada because it seems to me that this document tends to dissimulate and to conceal from the Canadian public the size—here I refer not to the nature of the expenditures but to the totality—of the expenditures proposed by the government which of course must be raised by taxation from the Canadian public. Perhaps this may be seen as some justification for the insistence of the Minister of Finance that he was going to increase taxes by his legerdemain in connection with revisions of the income tax; perhaps this is one of the reasons.

[Mr. Drury.]

We see that there is an increase of some $900 million in the budgetary expenditures for this year, and we are going to see how this is done. I have not had a chance to examine all the tables to see just where this money is going to go. One increase outside those to which the minister referred briefly—I do not know who had a look at it—is another $25 million for the four DDH destroyers in the Department of National Defence. The Minister of National Defence is now of the opinion that these ships are too specialized. The hon. member for Trinity (Mr. Hellyer) was Minister of National Defence when the plans were being advocated and it was decided to build the ships. But we also know that in 1963 the plans for four new ships were scrapped by the Department of National Defence because the then minister thought the ships were not specialized enough. All I can say is that along with a lot of the expenditure and reorganization in the Department of National Defence which has cost a great deal we have had some six damn fool years with the net result that the armed forces are now in green uniforms. Were it not for the economic conditions in the country today and the fact that so many of the men are caught by their pensions, we would not have half the men that there are in the forces today. This is one of the contributions that went through a few years ago before the coming to this house of some of the clappers at the back of the ministry who now talk about the green uniform. If they had known the armed services of some years ago, they would recognize what a different force it then was.

Having said that, it is interesting to note that even though we are now considering Bill C-207 the government has gone ahead and organized the estimates book on the basis that this legislation is going to be passed. The Minister of Fisheries and Forestry has been suppressed. We are to have a department of the environment, and all the representations of my colleagues from the Atlantic provinces and from others from the Pacific coast with regard to maintaining the identification of fisheries are going to go for naught. Why? Because the coffin has been nailed down. The book of estimates, which no doubt was printed many weeks ago, was set up in this form. The government has no intention of acceding to any suggestions that might be made, and I do not suppose they would even accede to the representations of the present Minister of Fisheries and Forestry who would like to continue in that role and give some entitlement to the important fishery industry.

We will want to know, and we will study this, how much all the ministries that are now being proposed under Bill C-207 will cost. It will be a very interesting question to put forward. We know that these estimates will go before the committees, but notwithstanding the statements made by the President of the Treasury Board last year and again this year that the new format of the estimates will render them more readily intelligible so that they will convey greater information, I put it to you that it is the government and not Parliament that proposed the new rules of the House. I can point to the members and ministers who are responsible for the new rules. We were then steamrollered into passing them.

Frankly, I would say that this House and the public of Canada now know less about the spending programs of the government under the new rules because the estimates cannot be discussed when they are reported back to the House from the committees except in a very superficial way on opposition days. There is now less information and less control of these estimates.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): This is due to a combination of a number of factors and I, who have been here for some years, regret that we are not in a position to at least consider some of the departments in the House because the President of the Privy Council will move a motion in a few moments to refer the consideration of the estimates to the various appropriate committees. I do not mean a nuts and bolts operation in the House, but I wish that the estimates could at least be considered in the House so that the House could have control over them.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): This is another example of the so-called directed bureaucracy with which we are being saddled, and I think it is a crying shame that government in Canada should be taking that trend.

* * *

HOUSE OF COMMONS

TELEVISING OF PROCEEDINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to move a motion under Standing Order 43. I shall be brief. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

In view of the Prime Minister's method of communication yesterday, the Standing Committee on Procedure and Organization presently investigating the possibility of televising House of Commons proceedings, be given explicit instructions that if such televising of this House is agreed to by the committee, it should be shown only at late night and avoid the early family and children viewing hours.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members have heard the motion.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no agreement. The motion cannot be put.

* * *

MAIN ESTIMATES, 1971-72

REFERENCE OF VOTES TO STANDING COMMITTEES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to move a motion

pursuant to Standing Order 59 having to do with the referral of the estimates to the various standing committees. I move, seconded by the President of the Treasury Board (Mr. Drury):

• (2:40 p.m.)

That the Estimates of sums required for the service of Canada for the year ending March 31, 1972 be referred to the several Standing Committees of the House as follows:

The list is very long, Mr. Speaker. It may be possible to send you the motion and maybe the House would agree that we could dispense with reading this very long list.

Mr. McGrath: We want to hear it.

[*Translation*]

Mr. Speaker: Mr. MacEachen, seconded by Mr. Drury moves:

That the Estimates of sums required for the service of Canada for the year ending March 31, 1972, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of Agriculture

Vote 30 relating to the Canadian Dairy Commission

[*English*]

Some hon. Members: Dispense.

Mr. Speaker: I am quite willing to proceed with the reading of the motion, but I am just wondering whether hon. members would want me to. Shall I dispense?

Some hon. Members: Dispense.

Mr. Speaker : I am grateful to hon. members.

[*Editor's Note: The balance of the motion follows:*]

Votes 35 and 40 relating to the Canadian Livestock Feed Board

Vote 45 relating to the Farm Credit Corporation

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45 relating to the Department of the Secretary of State

Vote 20 relating to the Commissioner of Official Languages

Votes 25 and L30 relating to Information Canada

Vote 50 relating to the Canada Council

Votes 55 and L60 relating to the Canadian Broadcasting Corporation

Vote 65 relating to the Canadian Radio-Television Commission

Vote 70 relating to the Company of Young Canadians

Vote 75 relating to the National Arts Centre Corporation

Votes 80, L85 and L90 relating to the National Film Board

Vote 95 relating to the National Library

Vote 100 relating to National Museums of Canada

Votes 105 and L110 relating to the Public Archives

To the Standing Committee on Veterans Affairs

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45 relating to the Department of Veterans Affairs

Main Estimates

To the Standing Committee on External Affairs and National Defence

Votes 1, 5, 10 and L12 relating to the Department of External Affairs

Votes 1, 5, 10, 15, 20, 25 and 30 relating to the Department of National Defence

Votes 15, 20 and L25 relating to the Canadian International Development Agency

Vote 30 relating to the International Joint Commission

Vote 35 relating to Defence Construction (1951) Limited

To the Standing Committee on Finance, Trade and Economic Affairs

Votes 1, L5, 10 and 15 relating to the Department of Finance

Votes 1, 5, 10, L15, L20, 25 and 30 relating to the Department of Industry, Trade and Commerce

Vote 1 relating to the Department of Customs and Excise

Vote 5 relating to the Department of Taxation

Vote 25 relating to the Department of Insurance

Vote 25 relating to the Economic Council of Canada

Vote 30 relating to the Tariff Board

Vote 35 relating to the Dominion Bureau of Statistics

Vote 40 relating to the Standards Council of Canada

To the Standing Committee on Fisheries and Forestry

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of the Environment

To the Standing Committee on Health, Welfare and Social Affairs

Votes 1, 5, 10, 15 and 20 relating to the Department of Consumer and Corporate Affairs

Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 relating to the Department of National Health and Welfare

Vote 1 relating to the Ministry of State for Urban Affairs and Housing

Vote 5 relating to Central Mortgage and Housing Corporation

Votes 15, 20 and L25 relating to the National Capital Commission

Vote 25 relating to the Prices and Incomes Commission

Votes 45 and 50 relating to the Medical Research Council

To the Standing Committee on Indian Affairs and Northern Development

Votes 1, 5, 10, L15, 20, 25, 30, L35, L40, L45, L50, L55, 60, 65 and 70 relating to the Department of Indian Affairs and Northern Development

Vote L75 relating to the Northern Canada Power Commission

To the Standing Committee on Justice and Legal Affairs

Vote 1 relating to the Department of Justice

Vote 1 relating to the Department of the Solicitor General

Votes 5, 10 and 15 relating to Correctional Services

Vote 10 relating to the Tax Appeal Board

Votes 20 and 25 relating to the Royal Canadian Mounted Police

To the Standing Committee on Labour, Manpower and Immigration

Vote 1 relating to the Department of Labour

Votes 1, 5, 10, 15 and 20 relating to the Department of Manpower and Immigration

Vote 5 relating to the Unemployment Insurance Commission

Vote 25 relating to the Immigration Appeal Board

To the Standing Committee on Miscellaneous Estimates

Vote 1 relating to the Governor General and Lieutenant-Governors

Votes 1, 5 and 10 relating to the Privy Council

[Mr. Speaker.]

Votes 1, 5 and 10 relating to the Department of Supply and Services

Votes 1, 5 and 10 relating to the Treasury Board

Vote 15 relating to Canadian Arsenals Limited

Votes 15, 20 and 25 relating to the National Research Council

Vote 20 relating to the Auditor General

Vote 20 relating to Canadian Commercial Corporation

Vote 30 relating to the Public Service Staff Relations Board

Vote 35 relating to the Science Council of Canada

Votes 115 and L120 relating to the Public Service Commission

To the Standing Committee on National Resources and Public Works

Votes 1, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Public Works

Votes 1, 5, L10, 15 and 20 relating to the Department of Energy, Mines and Resources

Votes 25 and 30 relating to the Atomic Energy Control Board

Votes 35, 40, L45, L50 and L55 relating to Atomic Energy of Canada Limited

Vote L60 relating to Eldorado Nuclear Limited

Vote 65 relating to the National Energy Board

To the Standing Committee on Privileges and Elections

Vote 15 relating to the Chief Electoral Officer

To the Standing Committee on Procedure and Organization

Vote 1 relating to the Senate

Vote 5 relating to the House of Commons

Vote 10 relating to the Library of Parliament

To the Standing Comittee on Regional Development

Votes 1, 5, 10, L15, L20, L25 and L30 relating to the Department of Regional Expansion

Vote 35 relating to Cape Breton Development Corporation

To the Standing Committee on Transport and Communications

Votes 1 and 5 relating to the Department of Communications

Votes 1 and 5 relating to the Post Office

Votes 1, 5, 10, L15, L20, 25, 30, L35, 40, 45, 50 and 55 relating to the Department of Transport

Vote 60 relating to Canadian National Railways

Votes 65 and 70 relating to the Canadian Transport Commission

Votes 75, 80 and L85 relating to the National Harbours Board

Vote L90 relating to Northern Transportation Company Limited

Votes 95, L100 and 105 relating to the St. Lawrence Seaway Authority

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

Some hon. Members: On division.

Mr. Speaker: Adopted on division.

Motion agreed to.

[*Later:*]

Mr. Lambert (Edmonton West): Mr. Speaker, this is without reflection on you, but with respect to the motion that was moved by the President of the Privy Council (Mr. MacEachen) perhaps it would have been better if Your Honour had read the list of estimates for referral and then we would have caught some of the mistakes that have slipped into the wording of the motion. I am not aware that Bill C-207 proposes to do this, but according to the second page of the motion we have two new

departments, the Department of Customs and Excise, and the Department of Taxation. Those departments do not exist.

Mr. Speaker: The hon. member will realize that I was quite ready to read right through. I enjoy the sound of my voice—

Some hon. Members: Oh, oh!

Mr. Speaker: —and I was willing to go through, but hon. members insisted that I dispense.

Mr. Lambert (Edmonton West): They did not insist. The government did.

Mr. Speaker: This is the only reason I did not proceed with the reading, but at the same time I do not think I have authority to go back and again put a motion that has been carried on division.

Mr. MacEachen: Mr. Speaker, if I may refer to the point of order raised by the hon. member I myself noticed in the motion the reference to the particular departments mentioned by the hon. member, and I made inquiries. I did not have an opportunity to look at the book but it may be that the book does not contain those phrases. If it does not I will be happy tomorrow to move to correct the motion on my own account.

Mr. McGrath: On the same point of order, Mr. Speaker, I have examined the estimates and I notice there are votes there for the department of the environment. I suggest to the House that there is no such thing as the department of the environment, and the government is anticipating something the House may not do.

Mr. Trudeau: Oh!

Mr. McGrath: Oh, fuddly-dud, or whatever it was you said. I maintain, Mr. Speaker, that the government has no right to anticipate what the House may do. I submit to Your Honour that there is an amendment before the committee of the whole House which would change the name of the proposed department, and presumably the House may agree to that amendment. Where would that leave the estimates for a department that does not exist?

Mr. Speaker: The point of order is an interesting one, but I would think that at that point the estimates would have to be amended. We might be anticipating that stage of the proceedings. I realize the difficulty that has been pointed out by the hon. member and by the hon. member for Edmonton West, but again I say that if the House decided in its wisdom to accept the amendment now being considered in committee of the whole, and which I assume in due course would be approved by the House, then it is the estimates that would have to be changed.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PROPOSED FEDERAL BUILDING, AMHERST, N.S.

Question No. 45—**Mr. Coates:**

1. On what date did the government indicate its intention to construct a federal building at Amherst, Nova Scotia?

2. Were properties purchased for this proposed site of the federal building and, if so (a) what was the total cost of securing the property in question (b) on what dates were the government properties secured (c) on what date was the preparation for the site completed?

3. Were designs prepared and made public of the proposed new federal building for Amherst and, if so (a) on what date were the designs completed (b) on what date were they released to the public (c) what was the total cost for the preparation of the designs in question?

4. (a) On what date was a decision reached to abandon the proposed design for the new federal building in Amherst and for what reason (b) were plans then initiated for the preparation of a new design and, if so (i) on what date did work start on the preparation of a new design for the federal building (ii) at what cost?

5. (a) On what date was a decision reached to abandon the construction of a new federal building at Amherst (b) for what reason (c) what was the total cost to the federal government associated with the preparation of the plans to start such a federal building?

Hon. Arthur Laing (Minister of Public Works): 1. On February 14, 1966 when the 1966-67 Estimates were tabled.

2. Yes, (a) $71,404.25. (b) November 21, 1966; April 3, 1967; August 17, 1967. (c) December 31, 1967.

3. Designs were prepared but they were not made public. (a) October 1967, April 1968, April 1969. (b) The designs were not released to the public. (c) $22,100.

4. (a) February 17, 1970—due to a change in client requirements. (b) Plans were initiated for the design of a single-purpose new post office building. (i) August 4, 1970 for a new post office; (ii) The new post office is being designed by departmental staff at an estimated cost of $2,600.

5. (a) February 17, 1970. (b) A change in client requirements. (c) $22,100.

PROPOSED ENLARGEMENT OF POST OFFICE BUILDING, AMHERST, N.S.

Question No. 46—**Mr. Coates:**

1. On what date did the government initiate plans to extend the federal building used as the post office at Amherst, Nova Scotia, and was property purchased to facilitate the proposed extension and, if so, on what date was property purchased and at what cost to the federal treasury?

2. On what date were the proposed plans to extend the post office abandoned and what was the total cost to the federal treasury of the planning and property purchases, including the

obtaining of options from property owners in the area for the sale of their land?

Hon. Arthur Laing (Minister of Public Works): 1. Plans to extend the federal building were initiated on August 11, 1967. It was anticipated that an addition might be required at some future date so vacant land was purchased for this purpose on February 1, 1963, at a total cost of $17,202.56 for land, survey, and legal fees.

2. Plans for the extension were abandoned on January 28, 1969. The total cost was $21,202.56 including an estimated amount of $4,000. for the preparation of plans and specifications by the departmental staff.

DE HAVILLAND STOL AIRCRAFT PROJECTS—FUNDS PROVIDED BY GOVERNMENT

Question No. 115—**Mr. Skoberg:**

For each fiscal year 1967/68, 1968/69, 1969/70, 1970/71 (estimated), what financial amounts have been provided by the government to The de Havilland Aircraft of Canada Limited regarding its STOL airplane projects?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Industry, Trade and Commerce is concerned, for the DIP Program the following amounts have been provided:

Years	Amount
1967/68	$ 556,073
1968/69	1,699,917
1969/70	2,434,323
1970/71 (estimated)	1,819,480

In so far as the Department of National Defence is concerned, under the Defence Research Industrial Research Program, the following amounts have been provided to de Havilland Aircraft of Canada for STOL research:

1967/68	$125,960
1968/69	15,943
1969/70	31,167
1970/71 (estimated)	100,000

PRIVATE CANADIAN CAPITAL INVESTMENT IN SOUTH AFRICA AND NAMIBIA

Question No. 176—**Mr. Rowland:**

1. What was the total value of private Canadian capital investment both loan and equity in (a) South Africa (b) Namibia for each year 1963 to 1969 inclusive?

2. What is the projected total for 1970 in each country?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Dominion Bureau of Statistics is concerned: 1. The total book value of private Canadian direct investment in the Republic of South Africa and Namibia at each year end from 1963 to 1969 is shown below:

Years ended December 31, 1963-1969

1963	1964	1965	1966	1967	1968	1969
		(millions of dollars)				
29	30	32	36	47	55	70

Investment in Namibia historically has been included with totals for the Republic of South Africa. The Namibia share of the $70 million shown above for 1969 reached a total of almost $2 million at the end of the year. As investment in this territority prior to 1969 was concentrated in one company, the confidentiality provisions of the Statistics Act preclude giving separate data for 1968 and earlier years.

2. This information is not available.

PUBLICATIONS ISSUED ON DRUG QUALITY

Question No. 709—**Mr. Rynard:**

1. How many publications have been put out listing drug products with criteria of quality since the Drug Information Bulletin "Rx" commenced monthly publication?

2. To how many physicians, dentists, hospital pharmacies, etc., is the Drug Information Bulletin "Rx" sent?

3. What is the total cost of printing and publishing of the Drug Information Bulletin "Rx"?

Hon. John C. Munro (Minister of National Health and Welfare): 1. One, dealing with Parcost, the Ontario government drug plan.

2. 44,000 English; and 12,000 French.

3. 1970-71 Main Estimates of the Food and Drug Directorate provided $208,000 to cover cost of salaries and printing.

RADAR SURVEILLANCE SYSTEMS FOR MARINE TRAFFIC MOVEMENT

Question No. 738—**Mr. Robinson:**

1. How many radar surveillance systems are there in Canada for marine traffic movement, and how many additional systems are contemplated at the present time?

2. Where is each marine radar surveillance system located?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. (a) Four. (b) Two.

2. Halifax, Montreal, Toronto, Vancouver. Contemplated: Chedabucto Bay, Quebec.

CANADIAN REPRESENTATIVES AT INTERNATIONAL WHEAT CONFERENCE

Question No. 773—**Mr. Southam:**

1. (a) Who are Canada's representatives now sitting in at the Geneva conference dealing with proposals to review and renew the International Grains Arrangement (b) who are the Canadian advisors assisting Canada's representatives at this conference?

2. Will Canada have Cabinet representation at this conference similar to the conference held in Geneva in the spring of 1967 and, if not, for what reason?

3. Will the Minister in charge of the Wheat Board make Canada's position clear in connection with this Geneva conference and, if so, on what date?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. A number of officials from the Federal Government and from other organizations were named to the Canadian delegation for the International Wheat Conference. As the conference

has continued for some weeks not all have been in attendance at the same time. The following made up the delegation designated for the conference:

Delegation leader: Mr. M. S. Schwarzmann, Assistant Deputy Minister, Trade and Industrial Policy, Department of Industry, Trade and Commerce.

Alternates: Dr. R. P. Poirier, Assistant Deputy Minister, Department of Agriculture; Mr. D. H. Treleavan, Commissioner, Canadian Wheat Board; Mr. R. M. Esdale, Marketing Advisor, Grains Group, Department of Industry, Trade and Commerce; Mr. C. W. Gibbings, Commissioner, Canadian Wheat Board.

Advisors from Government: Mr. E. J. Bergbusch, Permanent Mission of Canada to the Office of the United Nations; Mr. G. E. Blackstock, First Secretary (Commercial), Office of the High Commissioner for Canada, London; Mr. A. F. Burger, Commercial Policy Division, Department of External Affairs; Mr. S. W. Garland, Marketing and Trade Division, Department of Agriculture; Mr. A. L. Halliday, Chief, Special Trade Activities Division, Department of Industry, Trade and Commerce; Mr. P. A. Lapointe, Counsellor, Permanent Mission of Canada to the Office of the United Nations; Mr. W. Lavoie, Counsellor (Economic), Canadian Embassy, Paris; Mr. B. Macdonald, Multilateral Institutions Division, Canadian International Development Agency; Mr. W. J. O'Connor, Chief, Grains Division, Department of Industry, Trade and Commerce; Dr. C. F. Wilson, Grains Group, Department of Industry, Trade and Commerce.

Advisors from other organizations: Mr. R. C. Atkinson, President, National Farmers Union; Mr. G. E. Franklin, President, Manitoba Farm Bureau; Mr. G. L. Harrold, President, Alberta Wheat Pool; Mr. Dobson Lea, President, Unifarm; Mr. A. M. Runciman, United Grain Growers; Mr. H. B. Sneath, Manitoba Pool Elevators; Mr. W. Snell, Canadian Wheat Board, London; Mr. J. I. Stevens, Canadian Wheat Board Advisory Committee; Mr. E. K. Turner, President, Saskatchewan Wheat Pool.

2. It is not contemplated that a minister of the Federal Government will attend the present wheat conference but the ministers concerned are in close and regular contact with the delegation. Indeed, ministerial attendance has not been registered by any government for the conference. With respect to ministerial attendance in 1967, this was during the conclusion of the Kennedy Round when ministers from a number of countries were in attendance.

3. Reports will be made to the House as appropriate during the course of the conference.

UNEMPLOYED IN RETRAINING COURSES, ONTARIO AND QUEBEC

Question No. 828—**Mr. Valade:**

How many unemployed people in (a) Ontario (b) Quebec are taking retraining courses?

[*Translation*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Statistics on the number of persons presently receiving training who are unemployed prior to the commencement of their training will be available following the end of the fiscal year.

2. In the 1969-70 fiscal year, 26,000 full-time trainees in Ontario, and 47,000 in Quebec were unemployed immediately prior to entering training.

[*English*]

CANADA COUNCIL GRANT TO PROFESSOR HODGE

Question No. 861—**Mr. Stewart (Cochrane):**

1. Has a Canada Council grant been given to Professor Hodge of Toronto University who is presently on a sabbatical leave at Moose Factory, Ontario and, if so (a) how much is the grant (b) what was the purpose of the grant (c) was the grant limited to a specific field (d) was the grant conditional upon the writing of a thesis (e) does it have anything to do with customs or living conditions of Canada's native people?

2. Is the recipient of a Canada Council grant thereby precluded from political activity while studying throughout the duration of the grant?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canada Council as follows: 1. Professor Hodge won a Leave Fellowship in the Council's 1969-70 competition. (a) $8,000. (b) To enable Professor Hodge to engage in study in his field during his leave of absence from the University of Toronto. (c) Yes, urban and regional planning. (d) No. (e) Yes. Professor Hodge's specific field of study during tenure of his Fellowship is the economic development of Indian communities in Canada.

2. No.

[*English*]

COMMERCIAL VALUE OF STORED BUTTER

Question No. 871—**Mr. Lambert (Bellechasse):**

What was the commercial value of stored butter on (a) January 31, 1970 (b) January 31, 1971?

Hon. H. A. Olson (Minister of Agriculture): Information is available only with respect to butter stored to the account of the Canadian Dairy Commission. The cost to the commission of butter in storage to its account on January 31, 1970, was $43,523,480.39; on January 31, 1971, $43,323,067.14.

DAIRY PRODUCT PROCESSING PLANTS WHERE BUTTER STORED

Question No. 872—**Mr. Lambert (Bellechasse):**

What processing plants for dairy products store butter and receive storage fees?

Hon. H. A. Olson (Minister of Agriculture): The following dairy processing plants have stored butter for the account of the Canadian Dairy Commission in fiscal 1970-71: Cooperative Agricole de Abitibi East, Amos, Quebec; La Chaine Cooperative de Saguenay, St. Bruno, Quebec; O. Couture & Fils, La Durantaye, Quebec; Cooperative Agricole de Granby, Granby, Quebec; Cooperative Agricole de Lac Megantic, Lac Megantic, Quebec; Creamery Loranger, St. Eitienne des Gres, Quebec; Place-

ments des Bois-France, Victoriaville, Quebec; Produits Cailette Incorporated, Maskinonge, Quebec; Shefford Dairy Limited, Lawrenceville, Quebec; Cooperative Agricole de Maniwaki, Maniwaki, Quebec; Cooperative Agricole du bas St. Laurent, Mont-Joli, Quebec; Vermette & Fils, St. Agapit, Quebec; Ault Milk Products, Winchester, Ontario; Free's Creamery, Sunderland, Ontario; Kingston Creamery, Kingston, Ontario; Villa Nova Milk Products, Villa Nova, Ontario; Medway Creamery, Ilderton, Ontario; New Dundee Cooperative Creamery, New Dundee, Ontario; Pembroke Creamery, Pembroke, Ontario; Stacey Brothers, Mitchell, Ontario; Teeswater Creamery, Teeswater, Ontario; United Dairy Products Cooperative, Toronto, Ontario; Dairy & Poultry Pool, Saskatoon, Saskatchewan; Saskatchewan Cooperative Creameries, Regina, Saskatchewan; Manitoba Dairy & Poultry Pool, Winnipeg, Manitoba; Central Alberta Dairy Pool, Red Deer, Alberta; Northern Alberta Dairy Pool, Edmonton, Alberta; Crapaud Creamery, Crapaud, Prince Edward Island; Morell Creamery Cooperative Association, Morell, Prince Edward Island.

SALE OF SURPLUS ONTARIO AND QUEBEC BUTTER TO DEFICIENT PROVINCES

Question No. 899—**Mr. Fairweather:**

Will the Canadian Dairy Commission sell surplus butter from Ontario and Quebec to provinces which are deficient at the export price?

Hon. H. A. Olson (Minister of Agriculture): No.

EMPLOYMENT OF DR. GABRIEL SAAB BY FEDERAL GOVERNMENT

Question No. 901—**Mr. Lambert (Bellechasse):**

Does the federal government employ Dr. Gabriel Saab and, if so (a) is he employed by the Department of Agriculture (b) what is his status (c) what is his annual salary?

Hon. H. A. Olson (Minister of Agriculture): Dr. Gabriel Saab is (a) under contract with the Economics Branch, Canada Department of Agriculture for the period October 8, 1970 to March 31, 1971, to (b) co-ordinate special projects in the Province of Quebec related to agricultural adjustment requirements, with a salary of (c) $2,000 per month—contract maximum, $12,000.

*LINKING OF SPECIAL DRAWING RIGHTS TO DEVELOPMENTAL FINANCE

Question No. 904—**Mr. Fairweather:**

Does the government share the view of the Committee on International Development, headed by the Right Honourable Lester B. Pearson, that the linking of Special Drawing Rights (SDRs) to development finance would be a useful new aid possibility and, if so, what steps has Canada taken to obtain acceptance of this idea by other governments?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government has not yet arrived at a final position on the feasibility and desirability of establishing a link between special drawing rights and development finance. We do, however, regard it as an important proposal requiring serious consideration.

[Mr. Olson.]

The question was considered both at the last annual meeting of the Commonwealth Ministers of Finance in Cyprus and the last annual meeting of the International Monetary Fund and the World Bank in Copenhagen. It is also under current review in various international institutions such as the IMF and UNCTAD. We ourselves will be giving the matter further careful thought and will be participating in the various international discussions. We would hope in this way to obtain a clearer view of the complex and significant issues involved and to determine the extent to which there might be general international support for establishing a link.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

POST OFFICES CLOSED SINCE JANUARY 1, 1965— NEW FACILITIES

Question No. 145—**Mr. Rynard:**

1. Since January 1, 1965, how many post offices have been closed in (a) Ontario (b) Canada?

2. Since January 1, 1965, how many post offices have been built or are projected for areas with under 2,000 population and what have been the costs of each?

3. Since January 1, 1965, what was the total cost for all post office facilities operating from private residences or stores?

4. What is the present cost for a new post office established within the last five years for (a) postmaster (b) caretaking (c) heat and light (d) capital depreciation?

Return tabled.

PAYMENTS UNDER TEMPORARY WHEAT RESERVES ACT— GRAIN SALES AND STOCKS ON HAND

Question No. 450—**Mr. Korchinski:**

1. Since the Temporary Wheat Reserve Act was introduced, what amount of money has been paid out by the government?

2. In the past 20 years, for (a) wheat (b) oats (c) barley (d) rye (e) flax (f) rapeseed (i) what was the total sales in terms of dollars (ii) what was the total stock on hand at commercial position at the end of each crop year (iii) what was the total domestic disappearance in each year (iv) what were the total exports in each year?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notices of Motions Nos. 9 and 183 are acceptable to the government.

CORRESPONDENCE REGARDING INCORPORATION OF NCS FOUNDATION AND TRUST GÉNÉRAL DU CANADA

Motion No. 9—**Mr. Saltsman:**

That an Order of the House do issue for a copy of all correspondence between the Government of Canada and the NCS Foundation and Trust Général du Canada regarding its incorporation under the Canada Corporations Act.

Motion agreed to.

DOCUMENTS PRESENTED BY CANADA AT CONFERENCE ON ENVIRONMENT

Motion No. 183—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all papers including the policy documents and position papers presented by representatives of Canada in Washington at the three-day Conference on the Environment sponsored by the Atlantic Council of the United States.

Motion agreed to.

Mr. Jerome: Mr. Speaker, Notices of Motions Nos. 175 and 195 are acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations and conditions expressed by the Parliamentary Secretary, is it the pleasure of the House to adopt the said motions?

Some hon. Members: Agreed.

CORRESPONDENCE RELATING TO INCORPORATION AS MUNICIPALITY OF INDIAN COMMUNITY, CAPE MUDGE RESERVE

Motion No. 175—**Mr. Barnett:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence exchanged between the Government of Canada and the Government of the Province of British Columbia on the subject-matter of the incorporation as a municipality of the Indian community on the Cape Mudge Indian Reserve.

Motion agreed to.

CORRESPONDENCE RELATING TO NATIONAL PARKS IN NOVA SCOTIA

Motion No. 195—**Mr. Forrestall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, papers and memoranda since March 20, 1970, having to do with the development of National Parks in Nova Scotia including the existing National Parks and proposals for any additional National Parks.

Motion agreed to.

Mr. Jerome: Mr. Speaker, may I ask you to please call Notices of Motions Nos. 136, 166 and 192.

SURVEY OF PRIVATE MORTGAGE MARKET

Motion No. 136—**Mr. Gilbert:**

That an Order of the House do issue for a copy of the survey of the private mortgage market undertaken by Central Mortgage and Housing Corporation in September, 1969 to determine whether adequate private funds for housing are available.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister without Portfolio responsible for housing advises that a series of interviews was held in September, 1969, to obtain an indication of the mortgage lending intentions of the approved lenders for 1970. It will be appreciated that, in order to maintain such a close liaison with the approved lenders, discussions of this nature must be considered to be in absolute confidence, and it would therefore not be in the public interest to have them disclosed. If the content of such informal surveys were disclosed, the approved lenders would not be prepared in the future—

Mr. Speaker: Order, please. The Parliamentary Secretary is making a speech and presenting an argument. Under the rules he is entitled to indicate briefly why this motion is not being acceded to by the government. I suggest that he is going beyond what has been accepted practice until now when he makes the kind of statement he is making to the House.

Mr. Jerome: I was just about to conclude by asking the hon. member whether, under those circumstances, he would withdraw his motion.

Mr. Gilbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

ADVERSE EFFECTS OF CHANGE TO FLOATING DOLLAR

Motion No. 166—**Mr. Burton:**

That an Order of the House do issue for a copy of all correspondence and other documents between the government and firms or interested parties concerning adverse affects of the change to a floating dollar announced by the Minister of Finance in June, 1970.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the government has reviewed the documents requested in this motion and has found that in most instances the correspondence related to private information about the writers' business operations. As this information is considered to be highly confidential may I ask the hon. member to withdraw his motion?

Mr. Burton: Mr. Speaker, it is obvious that the government was a lot more selective in its assurances than it led the House and the public to believe last June. I would ask that the question be put.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF POLICY STATEMENT ISSUE TO MANPOWER OFFICES JANUARY, 1968

Motion No. 192—**Mr. Lundrigan:**

That an Order of the House do issue for a copy of the policy statement or directive issued to Manpower Offices by the Department of Manpower and Immigration in January, 1968 as referred to by the Minister of Manpower and Immigration on Tuesday, January 27, 1971.

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the directive requested in this motion is part of the department's operational instructions intended to provide guidance and direction to staff in carrying out their work. As

such it is considered confidential and may not be tabled. Perhaps the hon. member might kindly withdraw his motion.

Mr. Lundrigan: I have no intention of so doing, Mr. Speaker. I did not expect to get the directive in any event.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Jerome: May I ask that the remaining notices of motions be allowed to stand, Mr. Speaker.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—REPORTED SALE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has he any comment to make on the report that the control of Home Oil has been sold? I ask this question knowing that the minister has been following this matter closely and therefore I assume he can give the House this information.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, to the best of my knowledge, Home Oil has not been sold. The parties involved, including potential buyers and the vendor, are in communication with me. I have no further report to make at this time. To the best of my knowledge and information, it has not been sold.

Mr. Stanfield: Can the minister indicate to the House, not in terms of a long statement, the nature of the measures he is taking to try to preserve control of this company in Canada?

Mr. Greene: Mr. Speaker, as these negotiations are extremely confidential with respect to the parties involved, I think it would not be useful if I were to say too much, except that my position has been that it is in the interests of Canada to maintain control and majority ownership in Home Oil in Canadian hands, if that can be done. I have been doing my best in meeting with the parties to persuade them of this position.

Mr. Stanfield: Is the minister making any recommendations to his colleagues that would put other Canadian companies in a position to compete with American companies in the acquisition and control of companies such as Home Oil?

Mr. Greene: Mr. Speaker, I think probably, under the constitutional practices to which we adhere, that my advice to my colleagues is not something that I ought to report in this House. I can certainly assure my hon. friend that I am doing everything possible within the law to maintain this as a Canadian company.

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—IMPORT OF LETTER OF INTENT

Mr. Eldon M. Woolliams (Calgary North): May I direct a supplementary question to the minister, Mr. Speaker. It relates to the answer he gave to the Leader of the Opposition in which he said that he had no knowledge of the sale. Does the minister have knowledge of a letter dated January 18? It is a letter of intent relating to the parties and in it his name is mentioned in connection with the sale in question. If the minister has knowledge of this letter, does he take that letter to mean that there is no sale or that there is a sale?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, there is no such documentation of which I am aware; I am not sure of the specific letter to which my hon. friend refers. Any documentation of which I am aware was referable only to proposals or possible sales. I am not aware of any documentation which implemented an executed sale agreement.

Mr. Woolliams: Mr. Speaker, the letter I am referring to is the letter filed with the securities commission of the United States and is dated January 18. I cannot pinpoint it more closely except to say that it is a letter of intent. I suggest that the minister has knowledge of the letter. I ask, therefore, if he has knowledge of it and whether he was part of the negotiations leading up to the sale?

Mr. Greene: Mr. Speaker, I scarcely think that I could be a part of the negotiations. I have been kept aware of the proposals.

Mr. Woolliams: Is the minister aware of the letter?

Mr. Greene: I am aware that there was a written document—

Some hon. Members: Oh, oh!

Mr. Greene: —which, to the best of my knowledge and as I stated, purported to be a proposal or a possible agreement of sale. But it certainly did not constitute a binding agreement of sale. It was only a proposal or a suggestion that might lead to sale.

* * *

LABOUR CONDITIONS

PROGRAMS FOR UNEMPLOYED UNDER 25 NOT ELIGIBLE FOR UNEMPLOYMENT INSURANCE BENEFITS OR MANPOWER TRAINING ALLOWANCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister. Since the unemployment pattern for several months now has followed a consistent pattern in that over 40 per cent of those who are unemployed are under 25 years of age, and since the government has now had ample oppor-

tunity to be aware of this pattern and to prepare some programs to meet it, what does the government intend to do for single unemployed persons who are not eligible either for unemployment insurance or for manpower training allowances?

An hon. Member: Fuddle-duddle.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if we want to add anything to the measures we have already taken we will announce it in the House.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I asked the Prime Minister a civil question.

Mr. Benson: And the hon. member received a civil answer.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Am I to take it from his reply that the government does not intend to do anything about the 277,000 young people who are out of work, and that the government does not give a damn what happens to these young people?

An hon. Member: He did not say that.

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): He does not give a damn.

Mr. Speaker: Order, please.

Some hon. Members: Withdraw!

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands knows that he cannot ask a question in those terms. Perhaps he would consider rephrasing the supplementary question.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of National Health and Welfare.

An hon. Member: If it is in a parliamentary language.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister if he has made any representations or offers to the provincial governments that in the case of single unemployed persons who have not established residence the federal government will meet the full cost of providing welfare for those persons who in the main are being rejected by the municipal authorities?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the Leader of the New Democratic Party knows, I think, under the Canada Assistance Plan we cost share 50 per cent of social allowances going to such single people as he has referred to. There is to be no disqualification on the ground of residency. If the hon. member knows of cases where this in fact is being done, since it is contrary to the Canada Assistance Plan I wish he would let me have the information.

Inquiries of the Ministry

UNEMPLOYMENT—ACTION TO KEEP PEOPLE ON FARMS INSTEAD OF MOVING TO INDUSTRIAL AREAS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration who also has an interest in agriculture in the sense that he answers for the Wheat Board. Since the thrust of government policies is either designed to or has the effect of moving large numbers of people from the farming areas to areas of industrial unemployment, thus aggravating the unemployment situation, will the minister not review with his colleagues this very serious problem to see if there cannot be a change in government policies in order to keep people on the farms?

Mr. Speaker: The hon. member's supplementary question, of course, is in the form of a suggestion or representation to the minister.

PLANS FOR SUMMER EMPLOYMENT FOR STUDENTS

Mr. W. B. Nesbitt (Oxford): I have a supplementary question for the Prime Minister, Mr. Speaker. Since at the end of April several hundred thousand students will be turned loose on the labour market without much prospect of employment, is he now in a position to outline to the House what plans are being made to employ students during the summer months?

Right Hon. P. E. Trudeau (Prime Minister): There is nothing we can announce today, Mr. Speaker, but we hope to make an announcement.

GROWTH IN LABOUR FORCE—RELATION TO UNEMPLOYMENT FORECASTS

Hon. Robert L. Stanfield (Leader of the Opposition): May I direct a supplementary question to the Prime Minister, Mr. Speaker. In view of the report from the Dominion Bureau of Statistics that the Canadian labour force grew in 1970 at a much slower rate than the average during the last five years, despite the comment of the Prime Minister in Regina that the labour force had grown at an extremely rapid rate during the last three years, would the Prime Minister say whether the government's forecasts of reduced unemployment are based upon an assumption that the participation of the Canadian people in the work force will continue to be depressed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could point out that the rate has been slower in the last year than it had been in previous years and still be an extremely rapid rate.

Mr. Stanfield: Mr. Speaker, I ask the Prime Minister to answer my question. I asked whether the projected reduction in unemployment made by the government is based upon a continued depression of the rate of participation of Canadians in the work force?

Mr. Trudeau: Mr. Speaker, as the Minister of Finance has often said, the projections we put to the country we

put to the House at the time of the budget. This will be done.

PROGRAM TO PROVIDE JOBS FOR UNIVERSITY GRADUATES

Mr. John Gilbert (Broadview): My question is directed to the Minister of Manpower and Immigration. In view of a recent survey by the University of Toronto which indicated a 30 per cent drop in job opportunities for graduates and the recommendation that they seek jobs in other countries, does the minister have any intention of bringing forth a program to provide more job opportunities for these graduates or to provide financial assistance while they seek employment?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the over-all situation for graduates, particularly those with advanced degrees, will naturally respond very quickly to the upturn in the economy which is expected to take place.

Some hon. Members: Oh, oh!

Mr. Lang: There are now no specific programs designed for university graduates which are not of the usual sort available to everyone.

UNEMPLOYMENT—DISCUSSIONS WITH PROVINCES ON SETTING UP WORK CAMPS

Mr. Les Benjamin (Regina-Lake Centre) I have a supplementary question for the Minister of Manpower and Immigration. Have there been any discussions between the minister, or an other member of the government, and the provinces with regard to setting up summer camps or work camps in various parts of Canada?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, there have been many discussions about a lot of subjects. I would hate to indicate that any particular subject had been excluded therefrom. With regard to the details of any programs which we are seriously considering, an announcement will be made in due course.

* * *

[*Translation*]

INCOME TAX

ESTABLISHMENT OF NEW ASSESSMENTS FOR 1968 AND 1969

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to direct a question to the hon. Minister of National Revenue.

Since the Department of National Revenue has established new assessments, regarding returns which had already been accepted for 1968 and 1969, and in view of the fact that an official of that department has informed me, in a letter dated February 15, that claims would be sent right and left throughout Canada to approximately 9,000 people, could the minister tell us whether, through this method, he intends to recover enough money to make up for what he was unable to collect from the 700,000 unemployed, or whether this is merely—

Mr. Speaker: Order. I regret to interrupt the hon. member, but he seems to be launching out into a speech instead of asking a question. If he intends to put a question, I would ask him to do so as fast as possible.

Mr. Godin: Could the minister tell us whether by this procedure he intends to recover sufficient funds to compensate for his loss, due to the 700,000 unemployed Canadians or if he merely intends to show the incompetence of the department during the years 1968—

Mr. Speaker: The remainder of the question indicates that the hon. member was trying to advance an argument.

* * *

[*English*]

NATIONAL DEFENCE

INCREASE IN COST OF DESTROYER CONSTRUCTION PROGRAM—ALLOCATION OF MONEY TO SHIPYARDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of National Defence, but in his absence I will direct it to the Minister of Supply and Services or the President of the Treasury Board. It is in connection with the report that the completion cost of the DDH-280 program has now increased by $25 million. I ask the Minister of Supply and Services whether this amount of money has now been alloted to the Sorel Yard, whether it will be divided between the two yards, the Sorel yard and Davie yard, or will there be an additional claim against the treasury of Canada by one or the other yards for $25 million?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, in the past several weeks the Minister of National Defence has given assurance to the House that he was undertaking a very complete review of the DDH program. He made that commitment shortly after taking over responsibility for the department. To the extent that my department is involved in the program, I have been working with him on that review. The minister will be appearing before the Standing Committee on External Affairs and National Defence tomorrow morning at which time he proposes to table the full report. It is a comprehensive report. In light of that, I do not think a partial or piecemeal answer would be appropriate at this time.

Mr. Forrestall: I accept the suggestion of the minister. The matter will, indeed, be thoroughly gone into tomorrow. In anticipation and to give us some idea of the situation, may I ask if the $25 million has been paid to the Sorel yard?

Mr. Richardson: No, Mr. Speaker. There has been no payment of that amount to the Sorel yard.

[*Translation*]

POST OFFICE

MEETING BETWEEN PRIME MINISTER AND CNTU PRESIDENT—STATUS OF NEGOTIATIONS WITH FORMER EMPLOYEES OF G. LAPALME INCORPORATED

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Referring to a statement made at a press conference dy the President of the CNTU last Sunday in Montreal that a letter had been sent to the Prime Minister, soliciting an interview at the earliest possible date in order to obtain clarification of the federal government's policy concerning the CNTU, has the Prime Minister received such a letter and is he prepared to meet the President of the CNTU for such discussions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not received a letter, but a telegram concerning this matter and I have effectively replied, informing the President of the CNTU that I am prepared to see him. I suggested that the meeting take place on Friday, unless he prefers some day next week, and I have as yet had no reply from him.

Mr. La Salle: Are we to infer from the Prime Minister's agreement to meet the President of the CNTU that he is prepared to discuss or negotiate further the case of the Lapalme workers, in view of the circumstances?

Mr. Trudeau: Since the letter has been made public, the hon. member knows that the gist of the telegram was that the government is discriminating against the CNTU, an allegation which I refuted in my reply as it applies to the facts I mentioned. I invited the President of the CNTU to come and discuss that point and any others, if he so wishes.

Mr. George Valade (Sainte-Marie): Mr. Speaker, I would like to address a supplementary question to the Prime minister.

Can he say whether he anticipates that specific offers will be made to the former employees of G. Lapalme Inc. in order to give them some hope of finding work shortly?

Mr. Trudeau: Mr. Speaker, when we made our second series of offers in December, we stated that they were final. Since then, there have been no further offers and I do not anticipate any. I would naturally be delighted to receive the suggestions of members of the official opposition as to what steps should be taken in the interest of the public.

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

Since the Prime Minister invited suggestions, could he ask his colleague the Minister of Labour, who seems to have positive suggestions to make, whether he is prepared to advise the House as to the suggestions he intends to make to the former employees of G. Lapalme Inc.?

Mr. Trudeau: I can see, Mr. Speaker, that the hon. member does not have any ideas.

Inquiries of the Ministry

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a supplementary question to the Prime Minister.

Has he withdrawn the offer he had made to the former employees of G. Lapalme Inc. on their last visit on Parliament Hill where he met with them?

* * *

[*English*]

INDIAN AFFAIRS

SETTLING OF ABORIGINAL RIGHTS PRIOR TO CONSTRUCTION OF PROPOSED MACKENZIE VALLEY OIL PIPELINE

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Indian Affairs and Northern Development. In view of the fact that the government appears to be advocating the benefits of the Mackenzie Valley route as the route for the pipeline from the north to the United States, a view with which I agree, will the minister assure the House that before any decisions are made, the aboriginal rights of the native peoples of the territories will be settled in a way that justice will be done to their claims?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, if the hon. member read closely the statement I made on the subject last August, he will remember that we told the companies concerned that we would take the necessary steps to protect the interests of northern residents during the construction of the pipeline, and that we would give the matter priority.

[*English*]

RECOGNITION OF ABORIGINAL TITLE OF OLD CROW TRIBE PRIOR TO CONSTRUCTION OF PROPOSED MACKENZIE VALLEY OIL PIPELINE

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Minister of Indian Affairs and Northern Development. Can the minister assure the House that the aboriginal title of the Old Crow Indian people, who have been in possession of their land for centuries, is going to be recognized by the government before any pipeline construction begins?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the matter of the Indians' rights was clearly defined when the Indian policy was submitted in June 1969. As regards the Indians of the Old Crow Tribe and the problems relevant to their fishing and trapping rights, I assured them on the occasion of my two visits there that we would do everything possible to protect their interests in any future negotiation.

[*English*]

STATUS OF WHITE PAPER ON POLICY

Mr. Paul Yewchuk (Athabasca): My supplementary question to the Minister of Indian Affairs and Northern

Development arises from the last response he gave. Can he tell the House what has happened to the 1969 white paper on Indian policy? Have any of its recommendations yet been implemented, and does the government still consider this white paper to be the basis of its Indian policy?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we made certain proposals to the Indians in June 1969, which brought them to hold discussions with the government. I hope that in the next few weeks we will be able to establish a permanent committee made up of department officials and the main representatives of the Indians, so that once and for all fruitful discussions may be implemented between the Indians and the government. I must say that the Indians are satisfied with this development.

[*English*]

ADMINISTRATION OF FUNDS BY NORTHWEST TERRITORIES COUNCIL—PROTEST BY NATIONAL INDIAN BROTHERHOOD

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the Minister of Indian Affairs and Northern Development. Has he yet given consideration to the communication he received from the National Indian Brotherhood protesting the announcement that funds allocated to his department to meet the needs of Indians in the Northwest Territories are to be administered by the Northwest Territories Council, and the fact that this decision was made in the absence of consultation with the Indian people concerned, or their approval?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development: Mr. Speaker, the matter was settled a long time ago when the House asked the government to give greater powers to the territorial council. As a matter of fact, the hon. member was one of the movers of the project. It had been understood that it would be in the interests of all residents of the North to be administered by their local government, and I may add that four natives of the north were elected to the Council of the Territories in the last election.

[*English*]

Mr. Orlikow: In view of the statement the minister made a few moments ago that the government's policy is one of consultation with the Indians, does he not think that before making such a transfer of funds the Indians concerned, and their organizations, should have been consulted?

Mr. Speaker: Order. The hon. member's supplementary is really in the form of an argument. The Chair will recognize the hon. member for Yukon in a moment. I have to invite the co-operation of hon. members because we shall be running short of time very soon and a number of members are anxious to ask questions.

Mr. Erik Nielsen (Yukon): Since, obviously, it is government policy to transfer authority to administer this fund to the Northwest Territories Council, when will an announcement be made that similar authority is to be transferred to the Yukon Council?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I believe that the question is fundamentally different because, in the Northwest Territories, the majority of the population is made up of Eskimos or Indians. On the other hand, in the Yukon, the Indians represent only a small proportion of the population and they continue to be governed according to the methods used in the past. Should this policy be changed, we shall inform the House in due course.

* * *

[*English*]

OIL

PROPOSED CONFERENCE ON TRANSMISSION FROM NORTH TO MARKET

Mr. William Skoreyko (Edmonton East): I have a question for the Minister of Indian Affairs and Northern Development. In view of recent reports that United States oil import restrictions will be dictated only by transmission capacity, will the minister consider convening a conference to discuss oil pipeline requirements in the north to bring northern oil to the market?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Government policy has already been announced with respect to the future construction of a North South pipeline. We are looking forward to the building of such a pipeline but no tangible offers to this effect have yet been received from the industry involved. Whenever we do receive such offers, we intend to inform the companies interested as to the acceptability of the project from the point of view of both resources and populations living in the Northwest Territories.

[*English*]

Mr. Skoreyko: What I wanted to know from the minister was whether he is prepared to initiate these talks with regard to pipeline requirements.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will take the hon. member's suggestion into consideration.

* * *

[*English*]

GRAIN

FAILURE OF INTERNATIONAL WHEAT CONFERENCE TO REACH AGREEMENT ON PRICES—STEPS TO ASSIST CANADIAN INDUSTRY

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the minister reporting to the House on behalf of the Canadian Wheat Board. I consider it to be a matter of urgency. Now that the International Grains Arrangement is in the last stages of collapse according to the minister's statement last Thursday, will

the minister tell the House at the earliest moment possible what emergency steps are being taken by the government to assist the Canadian grain industry in view of this major setback?

Hon. Otto E. Lang (Minister of Manpower and Immigration): As I have said before, it is our hope that orderly marketing and a measure of orderly pricing in the international wheat market will remain. The minimum under the International Grains Arrangement which is still in effect has not been maintained in practice but a certain amount of order has been established, notwithstanding. This measure of co-operation is expected to continue so there has been no dramatic change as a result of the failure to reach a further agreement.

Mr. A. P. Gleave (Saskatoon-Biggar): Are we to assume from the minister's answer that negotiations are going forward without any diminution of staff or any lessening of the possibility of reaching a full agreement?

Mr. Lang: I believe the statement I made to the House several days ago put the situation quite clearly. I said that some discussions are continuing toward a certain conclusion at this stage, that the question of a more firm agreement with firm pricing provisions would be watched carefully, so that when it seemed appropriate to enter upon fresh discussions they would be begun again.

WHEAT—SUGGESTED USE AS BUILDING INSULATION

Mr. Paul Yewchuk (Athabasca): Is the government considering an alternative use for wheat as suggested recently by the scientific community, that is, its use as a building material, as an insulator.

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am not sure that this particular suggestion has been brought to our attention. I was a little surprised myself at the suggestion that a cubic foot of this insulating material could be produced for eight cents when a cubic foot of wheat is worth a good deal more than that. But I will be glad to look into the matter further.

INQUIRY AS TO REPEAL OF TEMPORARY WHEAT RESERVES ACT

Mr. A. P. Gleave (Saskatoon-Biggar): Having regard to the indication in the estimates this afternoon that the amount of money available under the Temporary Wheat Reserves Act for the current year will be very much reduced, does this signify a firm intention on the part of the government to bring down legislation this session to repeal the Temporary Wheat Reserves Act?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The proposal of the government to do just that had been made clear prior to the tabling of the estimates. The figure referred to by my colleague in the estimates was the figure which would have occurred under the existing law were no change made in it, except for the effect of interest rates and other factors.

Inquiries of the Ministry

REASON FOR SHIPS HAVING TO WAIT TO BE LOADED AT VANCOUVER

Hon. Robert L. Stanfield (Leader of the Opposition): Can the minister now inform the House how many vessels were waiting to load in Vancouver on Monday, or as of today if he would prefer to give that information?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The last report I received from the Wheat Board indicated that nine vessels were loading and that none were waiting. If the situation has changed today, I would be glad to check. At different times there have been four or five vessels waiting for berths but they did not wait very long, and grain is continuing to move at nearly record levels.

* * *

VETERANS AFFAIRS

LACK OF PROVISION IN ESTIMATES FOR DISABILITY PENSION AND ALLOWANCE INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the fact that there seem to be no estimates in the book he tabled today providing for the 10 and 15 per cent increases in veterans disability pensions and allowances, can the minister tell us how these increases are to be put into effect?

Hon. C. M. Drury (President of the Treasury Board): I will take that question as notice, Mr. Speaker.

* * *

[*Translation*]

AIRPORTS

STE. SCHOLASTIQUE—ALLEGED DISCRIMINATION AGAINST FRANCOPHONE EMPLOYEES

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of Transport.

In view of the warning issued by the Secretary General of QFL concerning working conditions on the site of the international airport in Ste. Scholastique, and especially in view of the warning that certain unilingual English-speaking managers are treating their Francophone employees with utmost contempt, is the government inquiring or considering an inquiry on this matter?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have been advised of the difficulties to which the hon. member has referred and have asked for an inquiry. Up to this afternoon, I have not received a report.

Inquiries of the Ministry

CITIZENSHIP

HIRING OF ALEXIA ALEXANDROVICH BANDY BY BRANCH

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I direct my question to the Minister without Portfolio in charge of Information Canada. Would the minister please inform the House under whose recommendation Alexia Alexandrovich Bandy was hired for the Citizenship Branch under Information Canada in the Vancouver area?

Mr. Speaker: Order, please. Perhaps the question might be taken as notice.

Mr. Paproski: The minister knew the question was coming, Mr. Speaker.

[*Later:*]

Mr. Paproski: Mr. Speaker, on a point of order, I should like to direct my question to the Minister of Manpower and Immigration who is familiar with the matter. I should like to direct the question to him, if I may.

Mr. Speaker: That is hardly a point of order, but I am sure that the hon. member should be given the opportunity to ask his question at this time.

Mr. Paproski: Would the minister please state under whose recommendation Alexia Alexandrovich Bandy was hired for the Citizenship Branch of Information Canada in the Vancouver area?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should have thought that that was the kind of question that might be put on the order paper, but will draw it to the attention of my colleague.

Mr. Paproski: Mr. Speaker, if the minister is going to bring it to the attention of his colleague, then may I pose a supplementary. Is the minister stating that the qualifications of people hired by this government will now be that they be known Maoists and fifth columnists?

* * *

FISHERIES

FINISHING OF WORK ON NADINA SPAWNING CHANNEL—REPRESENTATIONS TO UNITED STATES RESPECTING FINANCIAL CONTRIBUTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. Currently, the International Pacific Salmon Fisheries Commission is trying to get the United States to provide some $200,000 needed to finish the work on the Nadina spawning channel in northern British Columbia. This work has been stopped because of the failure of the United States government to match the Canadian contribution to the Fraser River rehabilitation project. Since the spawning channel—

Mr. Speaker: Order, please. Perhaps the hon. member might ask the question.

[Mr. Jamieson.]

Mr. Crouse: Yes, Mr. Speaker; I was just trying to lay the groundwork so the minister would understand the basis of my question. Since the spawning channel will return to both nations much more than the relatively small amount of money required to complete it, will the minister communicate with the United States authorities on this matter and report back to the House so that work can resume on this very worth-while project?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker.

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CORPORATE AFFAIRS

PROHIBITION OF ISSUANCE OF NON-VOTING STOCK BY CANADIAN COMPANIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the lack of knowledge of the Minister of Energy, Mines and Resources, I should like to ask the minister whether he is giving any thought to changing the Companies Act to prohibit the issuing of non-voting stock by Canadian corporations? It is the voting stock of corporations that is being sold to foreigners who put up the money.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, since the premise on which the question is based is wrong, I cannot answer it.

[*Later:*]

Mr. Woolliams: Mr. Speaker, may I ask the Minister of Consumer and Corporate Affairs, who gave a legal opinion, whether any thought is being given to amending the Companies Act in this regard?

Mr. Basford: Mr. Speaker, we amended the Canada Corporations Act last session and we are working on a second revision for introduction but it won't be for some time. We will, of course, look at the situation to which the hon. member, I take it, referred to see whether such a provision should be included in the second revision, but it will be a good time in the future.

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INFORMATION CANADA

REQUEST FOR STATEMENT ON PERSONNEL INCREASE IN DEPARTMENTAL AGENCIES

Mr. Barry Mather (New Westminster): Mr. Speaker, I had a question I wanted to ask the Minister without Portfolio reporting for Information Canada who was in his seat up to a moment or two ago. Perhaps Your honour would allow someone to take notice of my question.

Having in mind the return made yesterday by the President of the Privy Council indicating a very marked increase in the number of employees, and in the cost thereof, of the various government information departments since Information Canada came into being, I

wonder whether the minister would consider making an early statement on motions indicating the cause of this curious situation?

Mr. Speaker: I gather the hon. member for Gander-Twillingate has a supplementary to a previous question.

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EXTERNAL AFFAIRS

GEORGES BANK—OIL AND GAS EXPLORATION PERMITS—CANADIAN RESPONSE TO UNITED STATES POSITION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wonder whether the Secretary of State for External Affairs is now in a position to respond to a question that he took as notice on Friday regarding Canada's latest response to the United States position on Georges Bank?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. Canada's response to the position that was quoted by the hon. member was to the effect that the United States had already acquiesced in the issuance of the permits in question since in 1964 Canada began issuing oil and gas permits in the Georges Bank area on the basis of the median line principle established by the 1958 Geneva Continental Shelf Convention to which Canada and the U.S.A. are both parties. Canada notified the United States in writing of the issuance of these permits and received a written reply indicating United States acquiescence in this action. We were thus surprised when in late 1969 the United States indicated it did not acquiesce in, or recognize the validity of, such permits.

* * *

POLLUTION

THREAT POSED BY TANKER TRANSPORT OF OIL FROM VALDEZ, ALASKA, TO CHERRY POINT, WASHINGTON

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the hearings in Washington yesterday on the proposed Alaskan pipeline and the remarks of the hon. member for Esquimalt-Saanich to the effect that the Canadian anti-submarine role in continental defence might be affected if the United States persisted in their proposed oil tanker route along the west coast without full consultation with Canada, may I ask the minister whether this statement reflects government policy?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker it is my understanding that the hon. member for Esquimalt-Saanich spoke in his own right as a Member of Parliament. I do hope that other Members of Parliament will follow his example from time to time, particularly on questions of this kind. He made this statement without consultation with the government.

Mr. Speaker: Order, please.

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

Mr. Speaker: The Chair will allow the hon. member a supplementary, but I must advise the House that I did not grasp the full import of the question asked by the hon. member. He knows that he cannot ask whether a statement made by a member, as a member, outside the House represents government policy. That type of question should normally be asked in a direct manner. However, since the question has been asked the hon. member may put a supplementary.

Mr. Harding: Thank you, Mr. Speaker. The minister did not answer the question. Is the government prepared to take into account any of the bilateral agreements that we now have with the United States in an effort to persuade the United States government to hold full consultations with Canada regarding the danger that the oil tanker route from Valdez, Alaska, to Cherry Point, Washington, poses to our entire west coast area?

Mr. Sharp: Yes, Mr. Speaker, I am prepared to do so and I will be doing so. I think it is important, however, that the people in that area, whether they live in Canada or the United States, should speak out now on this issue which affects their futures more particularly than the futures of those in other parts of the two countries.

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AIR TRANSPORT

CHARTER SERVICES—POSITION OF WARDAIR FOLLOWING TRANSPORT COMMISSION RULING

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Transport. On a number of occasions I have addressed questions concerning the ruling of the CTC as it affected Wardair of Edmonton. I wonder whether the minister is now in a position to say if the situation has been resolved, or what action has yet to be taken in order to bring it to a head?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, this is a rather difficult question for reasons which the hon. member will appreciate. In the first instance, an appeal has been lodged with me and has not been yet disposed of. Therefore, so far as the appeal itself is concerned I am not free to make any comment. In the interim, however, I understand that Wardair has filed with the commission certain evidence to support their ability to cover deposits and the like, and it is my understanding that they will be able to continue operations as usual beyond the extended period granted, which was till March 1.

Mr. Lambert (Edmonton West): When does the minister think he will be in a position to give a decision on the appeal?

Mr. Jamieson: Mr. Speaker, I seem to remember that it was only two or three days ago that the formal appeal came in. The notice of appeal was filed two or three

weeks ago. I will, of course, try to dispose of it before the expiration of the extension given by the CTC, but I take it that this will not make any difference to the carrying on of Wardair's operations.

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FINANCE

ROLE OF PROVINCES IN FIGHT AGAINST INFLATION—COST-SHARING AGREEMENTS TO CREATE JOBS AND PAY WELFARE BUDGETS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is diverted to the Prime Minister. Was the Minister of Labour outlining government policy in his criticism of the role of the provinces in the fight against inflation? If so, is this the basis of the government's refusal to enter into any new cost-sharing agreements to create jobs or to pay welfare budgets?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the first point, my I say this is not a matter of policy but a matter of opinion. With regard to the second point, this is not an assertion of fact. The facts are not as the hon. member has related them.

Mr. Ryan: In light of the statement of the Minister of Labour, is the government concerned that provincial deficits will be inflationary and, if so, is it reconsidering its refusal to provide any further assistance to them?

Mr. Trudeau: There has been no refusal. On the contrary, we have extended assistance to the provinces on an increasing scale as this booklet indicates, and as the various statements by ministers have indicated.

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HEALTH

REQUEST FOR STATEMENT ON POSSIBLE LIFTING OF BAN ON CYCLAMATES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. This is a matter of deep concern to many people who, for health reasons, have to use cyclamates. In view of the fact that cyclamates have been banned in diabetic foods and other foods but are allowed in diabetic medication and infant medication, and in view of the fact that cyclamates can be bought over the counter, will the minister make a statement on motions clarifying whether he proposes to lift this ban and whether the sale of cyclamates is legal or illegal?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, I will make a statement shortly.

[Mr. Jamieson.]

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

The House resumed, from Tuesday, February 16, consideration in committee of Bill C-207, respecting the organization of the Government of Canada and matters related or incidental thereto—Mr. Trudeau—Mr. Honey in the chair.

On clause 2—*Short title*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order which relates to the fact that in the bill now about to be considered by the committee of the whole, as in several other bills we have considered recently, there is a reference to the Revised Statutes of Canada, 1970. I wonder whether sometime soon we might have an indication as to when we shall see the Revised Statutes of Canada, 1970?

Mr. Turner (Ottawa-Carleton): I hope before the end of this session, Mr. Chairman.

The Chairman: Order, please. The House is again in committee of the whole on Bill C-207. When the committee rose last evening clause 2 of the bill, with the amendment by the hon. member for St. John's East was being considered.

Is the committee ready for the question on the amendment?

Mr. McGrath: Mr. Chairman, I rise on a point of order. I am glad to see the hon. member for Gaspé getting ready to participate in the debate. I welcome this participation and look forward to it. He is the first member of the Liberal party representing a fishing constituency to show any interest in this particular subject at this stage of our proceedings.

Some hon. Members: Oh, oh!

Mr. McGrath: Hon. members opposite should restrain themselves because this matter is of some concern. My point of order relates to the tabling in the House today of the estimates for the fiscal year ending March 31, 1972. Those estimates contain a section dealing with the department of environment and, therefore, set out certain items for the current fiscal year in respect of a department which does not exist. That is the substance of my point of order.

In addition, this fact places members of the committee under a severe handicap because we are discussing at the present time an amendment which would have the effect, if it is approved by the committee, of changing the name of this department. This government has been so bold as to anticipate the approval of this measure and has brought estimates forward in the name of the new department. I submit to the Chair and to the committee

that this is a contemptuous act on the part of the government. It shows contempt for this House and for this committee. This fact has circumscribed and, indeed, prevented members of the government party from making any useful contribution to the debate. Their hands have been tied by the government they support. The publication of these estimates explains why we have not had any participation by members on the government side of the House, particularly those representing fishing constituencies.

This matter was put to His Honour, Mr. Speaker, before the House went into the committee of the whole in the form of a point of order. It was arranged at that time that should the committee of the whole House see fit to accept my amendment, the government would have to amend the estimates. My point of order is based on that ruling by His Honour, and I want this ruling reiterated by you as the Chairman of this committee. The committee should in no way be circumscribed or circumvented by the government anticipating that members will give approval to this particular part of the bill setting up the department of the environment. In so doing, the government makes this committee a bit of a farce, to put it mildly. This action makes this committee merely a rubber stamp.

Before I pursue my remarks at this stage of the proceedings I should like you, Mr. Chairman, to make a ruling on the effect this act by the government will have on the deliberations of this committee. This committee is charged with the responsibility of studying this bill clause by clause, amending it where amendments are necessary. I should like a clear ruling from you, as the Chairman of the committee, as to the effect this will have. How will it affect our deliberations in light of the amendment now before the committee?

The Chairman: Order, please. The hon. member for St. John's East has placed a point of order before the committee. I will make a ruling or comment on his point now, unless other hon. members would like to deal with the matter.

Mr. Jerome: Mr. Chairman, if I may very briefly, I should like to say that when one is considering what actions make a farce of this committee's proceedings, one should remember that it is the hon. member who just spoke who should be doing some soul searching rather than making accusations.

An hon. Member: That's a good way to start.

Some hon. Members: Oh, oh!

Mr. Muir: Why don't you try some fiddle-faddle, too.

Mr. Jerome: Hon. members should understand that if estimates are tabled when legislation is before the House proposing a change in the name of a department then, at one time or another, an amendment to the substantive legislation or to the estimates will be necessary. If, as the hon. member has proposed, we should take account of the situation at this stage, then the estimates would be tabled in the name of the present department and when the legislation is passed an amendment would have to be made to the estimates.

There is absolutely no difficulty involved in making a change to the legislation or a change in the estimates tabled by the government. The hon. member knows that in either case an amendment will have to be made. If the present amendment carries, then we must anticipate that no amendment will be made to the estimates. If the estimates were tabled under the present name of the department, then obviously we must anticipate some kind of an amendment to the estimates. When the legislation is passed, one way or another, there is a very great possibility a change in the form of the estimates will have to be made. This is simply a matter of attempting to accommodate both pieces of legislation before the House at the same time. There is nothing anticipatory or malicious about it.

• (3:40 p.m.)

Mr. McGrath: Mr. Chairman, would the hon. member permit a question? Would he point out for the enlightenment of the committee where in this book we may find the estimates for the Department of Fisheries and Forestry?

An hon. Member: Come on; get up.

The Chairman: Order. Is the hon. member for Gander-Twillingate rising on a point of order?

Mr. Lundrigan: Yes, Mr. Chairman. Until two o'clock today the amendment moved by the hon. member for St. John's East was simple and clearcut. There was no complication to it whatsoever. As a matter of fact, we had been anticipating a favourable response from the government benches which would indicate that there would be a department of fisheries and the environment. Today, by the omission of the Department of Fisheries and Forestry from the estimates, to all intents and purposes this department has been eliminated. Therefore, a complication is introduced. If the amendment were approved by the Parliament of Canada today, other strings would have to be pulled and other amendments made to existing publications and documents. Perhaps, therefore, the government will not be as eager to accept a most legitimate amendment. So, I cannot accept the position of the Parliamentary Secretary to the President of the Privy Council. I cannot accept the argument that we are not being jeopardized in this House of Commons by the introduction of these estimates.

The fact is there is a new complication. I submit this will make it much more difficult for the House to accept the amendment which, until now, was clearcut. I think the rights of members have been jeopardized and I think the position taken by the parliamentary secretary is a little on the arrogant side. Perhaps the House of Commons will not accept the bill. Members might decide to throw it in the wastepaper basket. I have looked over these estimates and I cannot isolate fisheries from the environment. I do not know now what are the estimates of the department of fisheries. We are fighting for a livelihood in five provinces which depend almost exclu-

sively on fishing. I suggest there must be a clear indication that members of all parties can effectively vote for our amendment which is an effort to get some status for the fishing industry of Canada.

The Chairman: Is the hon. member rising on a point of order?

Mr. Harding: Mr. Chairman, I was going to say a word or two on the remarks of the parliamentary secretary.

The Chairman: Order. I recognize the hon. member and, of course, am anxious for him to speak to the procedural point if he wishes to do so.

Mr. Harding: Thank you, Mr. Chairman. I was going to speak to that. It seems to me when amendments are moved to bills by individual members they are moved with the feeling that they will improve legislation. I see absolutely no reason any amendment would be rejected merely for the reasons given by the parliamentary secretary. The amendment was before this House yesterday. We might well have voted on it yesterday or last evening before the estimates were tabled. I want to say that if this is the reason for turning down this amendment, it is one of the most silly reasons I have ever heard from the government side of the House. I wish to suggest that if there is a basic reason that the name should be changed, this Parliament should not hesitate to make that change, regardless of the estimates having been tabled today.

Mr. Crouse: Mr. Chairman, I rise briefly to speak on the point of order raised by my colleague the hon. member for St. John's East. It is quite evident now, after a cursory study of the estimates tabled today, that the department of fisheries has been swallowed up and is losing its identity. We who come from Atlantic Canada have presented our views during this debate on the government reorganization bill and have been critical of this aspect of it. We now realize that our worst fears have been confirmed. We now realize the government, by its action, has literally ignored Parliament because it has assumed, rightly or wrongly, that this bill would be passed without any amendment, even though there is an amendment before the Committee at the present time which would radically change it.

Mr. Davis: It would only change the name.

Mr. Crouse: As the minister of fisheries has stated, it would only change the name. I have paraphrased it correctly. When the minister says it would only change the name, this is an indication of how little importance he attaches to the name, fisheries and forestry of Canada. When one says it would only change the name, this implies that the fishing industry is only a secondary industry and of no importance. This is the very gut issue we have been debating in this House. This is the very thing we, as members from Atlantic Canada, have feared since we first saw the government reorganization bill. I really do not know what members opposite can do to bring some sense to the present government. We really are asking only that the name be changed to the department of fisheries and the environment in order to give recognition to this primary industry which has been recognized by the statutes of Canada since confederation. By abolishing the title department of fisheries, and by not giving the name recognition, I have said before and say again that we lose all the advertising value that would accrue to this industry if the department carried the name fisheries and environment.

Mr. Hogarth: What about forestry?

Mr. Crouse: All right. That is a very good point. I am glad to hear from one of the members sitting over there. Honestly, Mr. Chairman, I had thought that crowd had died. If the hon. member feels that way, he should move an amendment and we will support it. These members of the Liberal party—

The Chairman: Order, please.

Mr. Crouse: I have the floor, if you will allow me to finish.

The Chairman: Order. With respect I think the hon. member may be dealing with the substance of the argument more than with the point of order. Of course, I will recognize him again but I would hope that after we have dealt with the procedural point of order, the Chair could rule and then we could continue with the arguments.

Mr. Crouse: Thank you, Mr. Chairman. I was answering an interruption by the hon. member for New Westminster. That is one of the fishing constituencies of British Columbia. I really believe he should express his concern on this matter rather than interrupt hon. members who are honestly trying to bring reason and order out of the chaos which has been created by the wording of this bill. I appreciate his interruption and I am willing, as I am sure my party is, to endorse the amendment which he proposed, that we should include forestry in the title of the department.

• (3:50 p.m.)

Mr. Hogarth: What about forestry?

Mr. Crouse: The hon. member says, what about forestry. If he moved an amendment that the title of the department should be fisheries, environment and forestry, or environment, fisheries and forestry, we on this side would support it.

Some hon. Members: Hear, hear.

Mr. Hogarth: What about the wildlife service?

An hon. Member: And what about renewable resources?

Mr. Crouse: We have had departments with lengthy titles before. We have the Department of Industry, Trade and Commerce, and we have had departments set up in order to gratify the ambitions of one or more ministers of this government. If the hon. member wants to make it the department of environment, fisheries, forestry and renewable resources, I will say to him that we have tolerated everything else and we will tolerate that. So, I suggest to the hon. member that he go back to his own

seat and move this type of amendment so that we can get on with the business of the House.

We are as concerned with this issue, Mr. Chairman, as are members of the government, but it would appear that progress on the government reorganization bill will be slow because the government started out by mixing apples and oranges, that is, mixing all types of government changes. They put a small amount of sugar on the cake when they named the department of the environment, and of course there are no members on this side who would not like to see our environment cleaned up. We are well aware of what has happened as a result of the pollution of our environment, and we in Atlantic Canada are perhaps suffering more than any other section of the country.

For these reasons, I am pleased to endorse the point of order of the hon. member for St. John's East, and I hope my comments will help you, Mr. Chairman, in reaching a decision on this very important matter.

Mr. Peters: Mr. Chairman, I am not sure if I can support the point of order that has been raised. However, I am sure it will be of some concern to you, Mr. Chairman, because it indicates how far away we have come from the previous procedures of the House.

Mr. McGrath: The hon. member for Winnipeg North Centre has to take a lot of the blame.

Mr. Peters: Many of us have to take the blame.

Mr. McGrath: That is why he is so quiet.

Mr. Peters: But I am sure that, under normal circumstances, it would be ridiculous to table the estimates of a number of departments, the names of which we proposed to change, while we were still in the position of discussing what we were going to do with these departments. Normally, a government would be willing to make some kind of arrangement. A minister would be able to say that he would accept the idea of having, for example, a department of the environment, plus forestry, plus fisheries. But that is not the way it is done any more. The civil service in this country is so strong now that it is probable the decision to make this change in the estimates was made eight or nine months ago, and now the minister is in no position to make a decision for his colleagues as to whether or not he could accept this amendment.

The point I am making is that you, Mr. Chairman, have a responsibility which I do not envy because if we, as individual Members of Parliament, have any role to play, if there is any point in our discussing the organization bill, it should be to bring forth ideas from various parts of Canada which are affected and to put forth as strongly as possible the views of the people whom we represent. Sometimes, although not often, we were able to make our points strongly enough so that cabinet members saw some merit in them. Unfortunately, I am of the opinion that we have now reached the stage at which the cabinet members cannot make the decision, even if they agree with us. The decision is made some place else. There are 100 or 200 smart young boys who run around making these decisions to throw in pollution or environment, and the parliamentary process is no longer able to reverse them.

Some hon. Members: Hear, hear.

Mr. Peters: I am sure the minister does not have such contempt for Parliament that he would decide to stop the filibuster by bringing in the estimates which annihilate the whole argument because a decision has already been reached. It is surprising that we are now faced with a *fait accompli.* Nowadays, Parliament is continually being faced with a *fait accompli.* One of my colleagues said that these situations did not arise during the Diefenbaker years when his government had a majority. The reason is very simple. The right hon. member for Prince Albert understood Parliament and understood the parliamentary process.

Some hon. Members: Hear, hear.

Mr. Peters: He could make a decision. So could other former cabinet ministers, such as C. D. Howe who made a snap decision on a piece of legislation that was before the House. He made the decision during the recess between 6 p.m. and 8 p.m., so when the members reassembled he said "we do not intend to proceed with the bill". He recognized the validity of the point that was being made and decided that the government would not proceed with the bill.

Today no cabinet minister can make such a decision. Every member here is wondering whether or not there is any point in moving a motion to change anything in the reorganization bill when we can see that the decision is a *fait accompli,* when we know that some smart young fellow made the decision six months ago, as is shown by the estimates. I do not say that the decision was made by departmental heads, because I have known the mandarins of the civil service long enough to know that they do not make that kind of change. Once they are used to the forestry department, they keep that department. I am sure that all the people who are in that department now have a vested interest in it and wish to keep it that way. I am sure that is the case with the fisheries department. Obviously, this decision has been made by somebody else, and I suggest that this somebody else is disregarding parliamentary procedure. Most of us, and you in particular, Mr. Chairman, will have to be concerned with whether or not there is any point in continuing our discussion on the reorganization bill if, in fact, the decision on it has already been made and is irreversible.

Mr. McCleave: I have not had a chance to check the blue book on spending, so I do not know whether the astronomic observatories have shifted their spending program from the Department of Energy, Mines and Resources to the National Research Council. Perhaps one of my colleagues might look up that point while I am talking. In the meantime, I wish to make a point that has not been made so far this afternoon but which I think none the less is a germane point, namely, that Your Honour has to decide what is in a name and for what it stands. I have a very simple proposition, that it

would be wrong for you to accept a program which called for spending by a department of environment and fisheries because the motion to establish that department has not been decided upon by this committee.

So, we start with the fundamental proposition that it would be wrong to attempt to change the name of the department in the manner suggested by the hon. member for St. John's East without having a decision of the committee and, later, a decision of the House. That is obvious. Therefore, I suggest it is equally wrong for any minister of the Crown by his will, or suggestion to present a change of name without anybody here having the opportunity to make a decision, first in the committee and then to approve it in the whole House. Of course, here, I am leaving out the aspect of the decisions made by people in the other House, and the final step, the signature by the representative of the Queen. So, I say in that respect alone, the point of order raised by the hon. member for St. John's East is a perfectly legitimate one.

• (4:00 p.m.)

We all have our names and we all have our identifications. Until those are changed by some lawful act, and not just a statement of intention to change them, we are imprisoned within the names that we have. Sir, may I quote to you from page 58 of our rules Standing Order 58(14) dealing with the business of supply and ways and means. It reads:

> In every session the main estimates to cover the incoming fiscal year for every department of government shall be referred to standing committees on or before March 1 of the then expiring fiscal year. Each such committee shall consider and shall report, or shall be deemed to have reported, the same back to the House not later than May 31 in the then current fiscal year.

Mr. Nielsen: That is for every existing department.

Mr. McCleave: That is it. The hon. member for Yukon, with that great and instant depth of knowledge that he possesses in the law, points out exactly what I am trying to say. The reference is "for every department of government." Here, we are being asked to take some whim of the man who gave us fuddle-duddle, or of the minister of fisheries. I do not know who brought this about, but we have not okayed it yet. Furthermore, we may not do so for some considerable period of time. This is a sort of Throne Speech debate without limitation. The bill has at least seven different objectives, and so we may spend some time on it. We may even go some time beyond the date of May 31, which is mentioned in the Standing Order. I suggest it is fundamental that we deal with things according to the names which they have, rather than according to the names people suggest. The hon. member for St. John's East has a perfectly valid point of order.

Mr. Davis: Mr. Chairman, with respect to the point of order, I do not think there is a matter of any substance before the House. This House can place any name it wants on this department and the estimates, of course, would have to be reprinted to reflect that name. Several members opposite have raised a ghost that does not exist.

[Mr. McCleave.]

They intend to spend a lot of the time of the House debating whether they have the power to change the name of this department. Why not put it to a vote? They have already made one proposal and, as I say, the House has the power to put any name it wants on this new department.

Mr. McGrath: Would the minister permit a question? He has the statutory responsibility at the present time of presiding over the Department of Fisheries and Forestry. Would the minister tell me, as a member of this House charged with that responsibility by the people of my constituency, where in the blue book which was tabled today I can find the estimates for his Department of Fisheries and Forestry?

Mr. Davis: Under the heading "Environment."

Mr. Nielsen: Surely, the minister is not asking the members of this committee to swallow the proposition that the government can place any name it wishes on a departmental estimate?

Mr. Jerome: He said this House.

Mr. Nielsen: This House can do so, but the Standing Order which was read by my colleague a moment ago applies to the existing Department of Fisheries and Forestry, whose estimates do not appear in the estimates that were tabled. The department of the environment is not yet in existence. Each statute establishing a department starts with the words, "There shall be a department of—" and then follows the name of the department.

So far as this committee and the House are concerned, there is no such animal as a department of the environment. Therefore, how can the minister come out now and say that the government or the House of Commons can name this department anything they please, considering the Standing Order read by my colleague? The fact is that the department of the environment is not yet in existence. The law, by virtue of our Standing Orders, requires that the estimates of each existing department be tabled. The estimates of the existing Department of Fisheries and Forestry have not been tabled, and since the department of the environment is not yet in existence the law is not being complied with. It is that simple.

Mr. Rose: Mr. Chairman, I wish to ask a supplementary question concerning the referral of the estimates to a particular standing committee, something which is customary. Since the government has changed the title of this department in the estimates tabled today, does it also anticipate that the present Standing Committee on Fisheries and Forestry will be changed to the standing committee on the environment. At the moment that standing committee is composed of ten members, whereas the Standing Committee on Fisheries and Forestry, which has been in existence long before I became a member of the House, is composed of 20 members?

Mr. Davis: The answer to that question is that it would be our intention to refer the estimates put forward in the blue book under the heading "Environment" to the

Standing Committee on Fisheries and Forestry. Perhaps, in my own words, I could interpret what has happened. It takes some time to prepare all these items contained in the estimates, and it was expected that this government organization legislation would have been passed by now, or certainly would have been at a more advanced stage. So, all of the items which are presently administered under Fisheries and Forestry are under the heading "Environment" in the blue book.

Anyone who reads the second page of this bill will see references to fisheries, forestry, wildlife, water, meteorology, and so on, are presently under Fisheries and Forestry, but the branches, divisions and agencies of which will be transferred to the department of the Environment if that name, as presently printed, is retained in the bill. If the amendment now before the House is accepted and the department is called fisheries and the environment, these estimates would have to be reprinted under the heading "Fisheries and the Environment".

Mr. McGrath: But I do not have the right to anticipate that parliament will pass my amendment.

Mr. Davis: I would not bet on it.

Mr. Whicher: May I remind hon. members that although no department of environment exists as of today, it is equally true that these estimates will not take effect until April 1, 1971. They are for the period from April 1, 1971, until March 31, 1972. I know members of the opposition want to get on with the business of the House in a businesslike way, and surely they know it takes a long period of time to print a book such as the blue book. I suggest that the civil servants have been working on these estimates for almost a year and a half. Hon. members must give the government some consideration when criticizing it. In their opinion, on April 1, 1971, in other words, a little over one month from now, this new department will be called the department of the environment—

• (4:10 p.m.)

Mr. McGrath: The government has no right to make that change.

Mr. Whicher: If the House wishes to change the name and to say to the government, "You are wrong," this is the time to say that to the government. I suggest that we had better do it in the next five minutes, because we shall never have a better chance in our lives. The government must take the responsibility for what happens, as must this Parliament which represents the people of Canada. The House can say to the government either, yes or no. So, I say to my hon. friends to my left, we have been considering this bill for about 13 days; let us get on with the business of the House. The hon. member for South Shore said earlier that the passage of this government reorganization bill will be very slow indeed. What he did not say, but what he meant I am sure, is, "If you do not bow to our wishes." In other words, Mr. Chairman, he is threatening not only Parliament but the people of Canada, who are asking us to get on with the business of running this country.

Some hon. Members: Hear, hear.

Mr. Whicher: Let me say in conclusion that the people of Canada are not interested in the kind of nonsense that some hon. members are bringing forward this afternoon. Some hon. members have threatened—

An hon. Member: That is a reflection.

Mr. Whicher:—to talk for the next 30 or 40 days if we do not do as they wish. May I remind hon. members that there are many serious problems in Canada which need to be tackled. The government wants to tackle them and we backbenchers want to tackle them. We are a little sick of arguing whether a department should be named this, that or another thing. If hon. members do not like the name that is proposed, they may bring in an amendment as they have done. But let us not talk for one week; let us have the vote and get down to business.

Some hon. Members: Hear, hear.

Mr. Nowlan: Mr. Chairman, I have not participated previously in this debate. With all respect may I say to the hon. member for Bruce, who may have imputed motives to hon. members, and may I say to the Minister of Fisheries and Forestry as well as to the hon. member who sits muttering in his seat and who says more when sitting down than when standing up—

An hon. Member: What is the point of the hon. member's remarks?

Mr. Nowlan: I am coming to that. I say that the argument with respect to the point of order does not hinge on the name. It is not whether the name ought to be the department of fisheries, forestry and the environment, or the department of the environment, fisheries and forestry. That is merely the catalyst for the point of order. My hon. friend from Bruce says, "Let us go on with the business of the House; the people want Parliament to go on with the business of the country; let the committee get on with its business." I agree. Every Member of Parliament wants to carry on the business of the House and of the country, according to the laws of the land.

Some hon. Members: Hear, hear.

Mr. Nowlan: The point of the matter is not the name that is being discussed; as I say, that was the catalyst for the point of order. If one were to follow the logic of the Minister of Fisheries and Forestry, as he is now called, and of the hon. member for Bruce, we might as well close shop. Since the government can anticipate the expenditure of X dollars with respect to all sorts of departments, it need not come back and ask for more money. The argument of the minister and of the hon. member for Bruce, if accepted, would tear to shreds something we know as supplementary estimates. I know, as does the hon. member for Bruce who sat in a provincial body before coming here, that the government cannot cross all the "t's" and dot all the "i's" with respect to any department's expenditures for one year. It cannot be that accurate before the production of the blue book. Provision must be made for contingencies; the depart-

ment, or the government, must come before parliament or a committee of the House and file supplementary estimates.

After the supply bill becomes law, and further expenditures are incurred, the departments concerned must file supplementary estimates to take care of the new expenditures. Supplementary estimates will need to be filed to take care of the additional expenditures of the new department and for contingencies with respect to the old department that were not foreseen. No one suggests that the government should not shoulder its responsibilities and not try to plan ahead. The argument has been over the name of the department. I submit that the nonsense spoken by the hon. member for Bruce, and I will put it in the best light that I can—

Mr. McGrath: It is naïvety.

Mr. Nowlan: —displays a naïvety about our entire constitutional framework and the way the system is supposed to work. This type of bill creates confusion. Hon. members are trying to embark on a cogent debate on the various clauses of the bill, but it deals with so many subjects that the debate, as one hon. member has said, is as wide as the Speech from the Throne. Although we have been talking on the bill for 13 days, we are still dealing with one subject matter; and we must deal with many more subject matters.

May I say that confused logic has brought about this point of order. The reason for the point of order does not lie in the name change being sought. It is the logic behind some of the answers with respect to the catalyst that brought on the point of order that disturbs me very much. If we follow those arguments to their logical conclusion, we might as well close shop and call a spade a spade. Then, I suggest that the hon. member for Bruce and other backbenchers who come here will only find that their problems have been compounded and not solved.

Mr. McGrath: We might as well all go home.

Mr. Paproski: And the President of the Treasury had the nerve to call this a filibuster. Shame.

The Chairman: The hon. member for St. John's East raised the point of order at the beginning of the committee discussion. I want to thank him for bringing this very important matter before the committee and to thank all hon. members who have contributed and been of assistance to the Chair. The hon. member for St. John's East and other hon. members have asked me to make a clear ruling. I do not know whether I can do that, but I shall try. I will briefly refer to a few arguments that I think are important.

It was urged very strongly on the Chair by many hon. members who spoke that the tabling of the estimates this afternoon in the form in which they are will make the acceptance of the amendment now before the committee more difficult. In essence, the amendment will add the word "fisheries" to the name in that part of the bill now being considered as set out in clause 2. I understand the argument. I agree that it will make it more difficult.

[Mr. Nowlan.]

Some hon. Members: Hear, hear!

The Chairman: I agree. From my knowledge gained in the years that I have been in this chamber, I think it will be more difficult to do that.

Mr. McGrath: But?

The Chairman: The hon. member says, "but". I was just going to say but it is not an argument that the Chair can take into consideration when ruling on the point of order. As hon. members know, my ruling must be made in accordance with the Standing Orders, practices, procedures and authorities that we must follow in the committee. I must assume, of course, that hon. members will exercise their undoubted right to speak and vote. One of my responsibilities as Chairman of the committee is to ensure that privilege to hon. members.

I think that the debate on the point of order has been a very useful one. I must assume that hon. members, if and when the amendment comes to a vote, will, as they will on all questions relating to this bill, exercise their rights as Members of Parliament. I cannot assume, of course, that they will do otherwise, because all hon. members are anxious to protect their rights and privileges.

There is another point I wish to make. The hon. member for Halifax-East Hants referred to Standing Order 58(14). Again, a cogent and logical argument was presented. It is not one that the Chair can give effect to in making the ruling, because the referral was made by the House earlier this day on division.

• (4:20 p.m.)

Another point which was urged on the Chair by the minister and the hon. member for Bruce may very well be a good argument, but certainly not one the Chair can consider. The argument is, and I am paraphrasing, that the committee has spent a long period of time on this bill and should get on with its business. That may be a good argument from a substantive point of view. I do not want to pass judgment on that. My position as Chairman, is to ensure that within the Standing Orders and the practices of the committee, hon. members have every opportunity to which they are entitled to debate this amendment, clause or any other clause in this bill.

While the arguments made by members on both sides appeal to me, I have to make my ruling on what I consider to be the legal position. I have to rule that the tabling of the estimates today should not interrupt or in any way interfere with the debate on the amendment before the Committee. I have to make that ruling.

Mr. McGrath: I do not know what my position is under the new rules, but it seems that Your Honour's ruling has placed the committee in a difficult, if not impossible, position. We do not have estimates for the Department of Fisheries and Forestry in front of us notwithstanding the statute, which is the law of Canada. We are discussing an amendment to the government's organization bill. The government has been presumptuous, and shown contempt, by anticipating that the House will eliminate the Department of Fisheries and Forestry. I find that this

committee is placed in a difficult, if not impossible, position. I cannot see how we can proceed.

Mr. Jerome: Sit down then.

Mr. Hogarth: Sit down if you don't want to proceed.

Mr. McGrath: Notwithstanding the interjections made by the hon. member from his seat, which is all he has been doing since this debate started, I feel we cannot proceed as a result of Your Honour's ruling.

The Chairman: As the hon. member for St. John's East is entitled to do, he has appealed the ruling of the Chair. My position is to state the appeal to Mr. Speaker. Will the committee now permit me to do that?

Mr. Paproski: I would like to call it six o'clock, Mr. Chairman.

The Chairman: Order, please. The Speaker is not in the Chair. At this point I have no authority.

Mr. Paproski: Will you settle for 4:25, Mr. Chairman?

Mr. Francis: Mr. Chairman, I wonder if hon. members opposite are prepared to stand this clause for a moment and go on with the next clause of the bill.

Mr. Peters: That does not follow.

Mr. Paproski: You are in a complete mess. Why should we wait?

The Chairman: Order, please. The committee has some difficulty. The hon. member has appealed the Chair's ruling to the Speaker, as he is entitled to do. The difficulty is that, unfortunately, Mr. Speaker is not in the building at this moment. He will be returning, but I have no information as to when. This is something the committee will have to decide. I express a preference when I mention the alternatives. One is that as Deputy Speaker, if the committee so wishes, I could take the Chair and rule on an appeal on my own ruling. I do not want to do that.

Mr. Knowles (Winnipeg North Centre): It has been done before.

The Chairman: The hon. member for Winnipeg North Centre says it has been done before. I understand that is the case. I would do that very reluctantly. Of course, I am at the service of the committee. The alternative is to stand the matter of the ruling on the appeal as well as the amendment, by unanimous consent of the committee, and proceed with another part of the bill now under consideration by the committee. I will be pleased to hear from hon. members as to which course they wish to pursue.

Mr. Drury: Mr. Chairman, the suggestion seems eminently sensible. The committee agreed yesterday that, in the absence of the minister concerned, we would not proceed with those parts of the bill until such time as he was in the House. The Minister of Energy, Mines and Resources has explained his absence this afternoon. I suggest that we proceed with Part III of the bill, which does not involve a minister who is absent, nor does it involve a department whose name is being changed for which an appropriation is being entered in the estimate book, which after all are only a set of proposals as is the bill.

Mr. Nielsen: Mr. Chairman, I submit with respect to the suggestion made by Your Honour, that Your Honour has no jurisdiction to continue the sitting any longer. The point of order having arisen pursuant to the Standing Order, the ruling which has been appealed must be put to Mr. Speaker before we can continue. Beauchesne's citation 59(4) requires Your Honour to maintain order in the committee of the whole and decide all questions of order subject to an appeal from the House. I submit that the question of order must be put to Mr. Speaker forthwith. It is very unfortunate that His Honour is not here so that this can be done. I urge upon Your Honour that the jursidiction to do anything else simply is not here.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, surely we do not have to spend any time on that point of order. The hon. member for Yukon is perfectly right. The rule has to be followed unless there is unanimous consent. Either there is or there is not unanimous consent.

The Chairman: That is the very point the Chair tried to make when I indicated that I was without jurisdiction and subsequently made suggestions. Of course, there must be unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: There is no unanimous consent. The committee is adjourned. I say, subject to correction, that I have no jurisdiction as chairman of this committee. As the hon. member for Yukon and the hon. member for Winnipeg North Centre have pointed out, I have lost jurisdiction unless the committee is unanimously prepared to give it to me.

• (4:30 p.m.)

Some hon. Members: Agreed.

An hon. Member: No, it is not.

The Chairman: The Chair put the question and there was no unanimous consent. I think I have lost jurisdiction, and I do not feel I should try to assume it in the absence of unanimous consent.

Mr. Drury: On a point of order, I understand there has been an appeal from your ruling while the committee was discussing clause 2 of the bill. Subject to Mr. Speaker's ruling on that question we obviously cannot proceed on it. Do I understand, however, that because an appeal has been made on this particular point of order Your Honour has no jurisdiction to continue while the committee considers other parts of the bill which are unrelated to the point at issue? I do not think hon. members would want to say that you had no competence, or no jurisdiction to preside over this committee while it dealt with parts of the bill unrelated to the point of order or the appeal in question.

Mr. Nielsen: As to the point just raised by the President of the Treasury Board, I believe the ruling is clear. As the hon. member for Winnipeg North Centre has pointed out, in the absence of unanimous consent the committee cannot go on with any business—

An hon. Member: No.

Mr. Nielsen: I heard the word "No". I do not know where it came from.

An hon. Member: I do.

Mr. Nielsen: Unanimous consent was not forthcoming.

Mr. Jerome: What rule is that?

Mr. Nielsen: I have just shut the book and I have forgotten the number. I did quote it in my previous remarks. I do not think the committee can proceed with any business until the question has been dealt with.

Mr. Paproski: I do not wish it to be thought that it was I who said no to the question asked by Your Honour in the last few minutes. I heard one of the members opposite mention my name, but I cannot recall saying "No" at that time. I would just like to have that on the record.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, since Your Honour is still in the chair and talk is still going on, I wonder if I may say a word. I trust hon. members realize that if we follow the rule, if we do not give unanimous consent to vary the practice, then Your Honour, you, the same person, will take the chair. At that point we shall have the same debate over again and Your Honour will be called upon to rule again. It will be a ruling on your own decision, and from that ruling there would be no appeal.

It would seem to me that if I were appealing this ruling—and I did not do so—I would prefer to have someone else pass judgment on it than to ask you, Mr. Chairman, to pass judgment on a ruling you, yourself had made. I would think, therefore, that those who want an appeal would be serving their best interests if they were to give unanimous consent for the House to carry on with Part III or Part IV of the bill, then come back to this question when Mr. Speaker himself is back in the chamber to hear fresh argument as to whether Your Honour, as chairman of the committee of the whole, made the correct ruling. I have some thoughts about that ruling but I shall not express them now. I just hope we can carry on.

Mr. McGrath: Mr. Chairman, I did not refuse unanimous consent and I want the record to show that.

An hon. Member: Oh, yes.

Mr. McGrath: I am trying to facilitate the procedure of the committee and help Your Honour. There has been some difficulty in understanding the procedure. However, it has been well outlined by the hon. member for Winnipeg North Centre. I feel that what he has said is very relevant and it is my impression that if the Chair were again to ask for unanimous consent it would be forthcoming.

Some hon. Members: Agreed.

The Chairman: Well, I will do that, but it will be on behalf of the committee. I have indicated my position. I think it is a correct one in accordance with our Standing Orders and practice. However, if the committee wishes me to do so, I will again ask if there is unanimous consent. In order that we may be clear on the point, I understand that if there is no dissent the committee will proceed to consideration of clause 12.

Is there unanimous consent?

Some hon. Members: Agreed.

On clause 12—*National Research Council.*

Mr. Douglas (Nanaimo-Cowichan-The Islands): I rise only to ask whether the President of the Treasury Board, who has this institution under his jurisdiction, intends to make a statement as to the general work he proposes doing as a result of this alteration or extension of his powers. It seems to me the committee would be glad to hear him now if he has a general statement to make.

Mr. Drury: Since our examination of the bill has now been going on for some 12 days, I would hesitate to lengthen the proceedings by repeating what I had to say at the outset of the debate in relation to this particular function. I am sorry the hon. gentlemen was not here then.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I was.

Mr. Drury: In that case, the hon. gentleman will be able to recollect what I said and perhaps there is not much point in my further burdening the committee today.

Clause agreed to.

The Chairman: Is it agreed that the committee should now proceed to consider Part IV of the bill?

On Clause 14—*Establishment of Ministries of State*

Mr. Douglas (Nanaimo-Cowichan-The Islands): Part IV deals with ministries and ministers of state, and it seems to me we ought to follow the practice we have followed up to now. When we dealt with Part I, the minister-designate for the department of the environment was present. I understand that when we deal with part II the Minister of Energy, Mines and Resources will be in attendance. Since Part IV deals with ministries and ministers of state, I think the Prime Minister should be here because it comes directly under his jurisdiction. He is the one who is to select these ministers of state. He is the person who will allocate various responsibilities to them from time to time. This is an entirely new procedure, establishing ministers of state, and it seems to me that only the Prime Minister is in a position to tell the committee why he is introducing this innovation, what are the reasons behind appointing ministers of state, why the number is to be five, and so on. There are a great many questions here which, it seems to me, with all deference to the President of the Treasury Board, do not come within his discretionary power. The Prime Minister ought to be

here for this part of the debate. If he canonot be here at this time, let us move on to another part of the bill until the Prime Minister can attend the committee and take part in the discussion.

• (4:40 p.m.)

Mr. McCutcheon: Mr. Chairman, I trust I am correct in assuming that we are dealing with clause 14 in Part IV of the bill, which has to do with the appointment of ministries and ministers of state. As the hon. member for Nanaimo-Cowichan-The Islands has just said, the person who is responsible for explaining this part of the bill is the Prime Minister. At the moment the proceedings in the committee remind me very much of a group of children playing house. The President of the Treasury Board has not got a clue what the Prime Minister has in the back of his mind with regard to these new appointments. If he has, then perhaps he will rise in his place and tell the committee who are the appointees that the Prime Minister has in mind. Again I say, with no disrespect to the President of the Treasury Board, that the minister does not have a clue who is going to fill these places.

More important still than the actual bodies that will fill these places is the question why there are going to be filled and what the responsibilities of the appointees will be. The minister probably does not know even that. I support the suggestion of the previous speaker that this is too broad a clause for the committee to discuss unless we have before us an expert witness who can explain—

An hon. Member: What about Lloyd?

Mr. McCutcheon: Well, even he cannot specify the matters in relation to which ministers must formulate and develop policies. So, with great respect, Mr. Chairman, I strongly recommend to the committee that we stand this clause and move on to another part of the bill about which we can get some factual information from some responsible person on the other side of the House. Once more may I say I mean no offence to my good friend the President of the Treasury Board.

[*Translation*]

Mr. André Fortin: Mr. Chairman, I listened to the remarks of the leader of the New Democratic Party (Mr. Douglas) as well as those of the hon. member who spoke before him, and their arguments have seemed valid to me. When one reads Part IV of the bill under consideration, the first question which comes to mind is whether the increase in the number of Ministers of State, Ministries of State and parliamentary secretaries is justified.

That part of the bill tends to increase the number of ministries, and to appoint new Ministers of State, as well as parliamentary secretaries. Why? What will be the role of those ministries? For what purpose are they established? What will be the duties of the new Ministers of State and their salaries? Why appoint more Ministers of State? What justification is there for creating a chief executive officer's position?

Mr. Chairman, those are questions that we of the opposition are asking ourselves. If, to speed up our discussion, we attempt to refer to that same Part IV so as to find answers to questions which are essential ones—since they concern the expenditures of public funds—the only thing to do is to read section 21 entitled "Duties of Minister". The duties of those ministers will be the following and I quote:

> In addition to the powers, duties and functions specified in the proclamation establishing a Ministry of State, the powers, duties and functions of the Minister for that Ministry extend to and include such other matters as are assigned or transferred to the Minister or the Ministry by or pursuant to any Act of the Parliament of Canada.

Mr. Chairman, that is extremely vague, it does not specify anything, does not justify anything.

Before ascribing intentions to the government, we would be grateful if it gave us, through the sponsor of this bill, a justification for Part IV, otherwise we will have to object at least to that part of the bill.

[*English*]

Mr. Barnett: Mr. Chairman, with reference to the point just made by the leader of my party with regard to this particular section of the bill, in view of the fact that just before we reached this Part we had been making very rapid progress and actually passed a complete Part of the bill—

Mr. Drury: One clause.

Mr. Barnett: —the complete Part III of the bill—and in view of the fact that it does not appear the Prime Minister is in the chamber, I am wondering whether this might not be the appropriate point for the committee to revert to Part II of the bill and deal with the matter raised in connection with the ruling of the Chair.

Mr. Baldwin: Mr. Chairman, far be it from me to interfere with the smooth operations of this committee. If there is an opportunity for a decision to be rendered, I would be quite pleased to continue the next thrilling episode of my remarks at a later stage; but until that is the situation I will proceed with the few remarks I have to make on clauses 14 and 15.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, I do not want to interrupt the hon. member, but I still want to raise the question whether or not the Prime Minister is going to be here. We can discuss clause 14 and the hon. member can make his speech, but surely we ought to know from the President of the Treasury Board, who is piloting this section of the legislation through the committee of the whole, whether the Prime Minister will attend the committee at some stage when the committee is discussing both Part IV, which has to do with ministries and ministers of state, and Part V, which has to do parliamentary secretaries.

I do not want to repeat what I said before but these are matters coming strictly within the purview of the Prime Minister of Canada. There is a very little value in our simply talking to ourselves in this committee; we should

be able to ask the man who is advancing these ideas, and who will be exercising the very extensive powers we are being asked to give him, what use he intends to make of them. If we are not to make a farce of this committee, if we are not to make it some little debating society held in the corner while the Prime Minister and other ministers go about their business, then surely the Prime Minister ought to be here.

• (4:50 p.m.)

I do not intend to urge that we do not proceed at all, but I am saying that none of the clauses in this Part IV should be passed until the Prime Minister is here either to make a statement or to answer questions and give the committee of the whole some information regarding the reasons for the very extensive and unusual powers he is asking Parliament to vest in him. For that reason, I hope before the hon. member for Peace River continues the President of the Treasury Board will indicate whether we will have the advantage of the Prime Minister's presence at some time while these two parts of the legislation are being discussed.

The Chairman: Order, please. If it meets with the approval of hon. members of the committee the Chair might now take the appeal to Mr. Speaker. Is that generally agreed?

Some hon. Members: Agreed.

Mr. Speaker resumed the Chair, and the Chairman of the Committee made the following report:

Mr. Speaker, the question is an appeal of a decision of the Chairman of the committee of the whole under the provisions of Section (4) of Standing Order 55 as follows:

When clause 2 of Bill C-207, an Act respecting the organization of the government of Canada and matters related or incidental thereto, was being considered in the committee of the whole at yesterday's sitting, the hon. member for St. John's East (Mr. McGrath) proposed an amendment as follows:

"That clause 2 of Bill C-207 be amended by striking out the words 'Department of the Environment' where they first appear, immediately after clause 1 on page 1 thereof, and substituting therefor the words 'Department of Fisheries and the Environment'.

When the committee resumed at this day's sitting, the hon. member for St. John's East raised a point of order as to the procedural position of the proposed amendment in view of the tabling this day of estimates covering the department of environment, which Part I of Bill C-207 would establish.

The Chairman ruled that the amendment had been proposed in accordance with the usages and practices of the House, and that in relation thereto the tabling of the estimates had no procedural effect on proceedings on the proposed amendment.

Mr. Speaker: Order, please. If it meets with the approval of the House, the Chair is prepared to hear argument from hon. members before making a determination or ruling in respect of the hon. member's appeal.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rose on the point of order which is the subject of the appeal to Your Honour because I felt then, as I do now, that hon. members of the whole House have been placed in a difficult if not impossible position by virtue of the fact that the government has proceeded to give effect to what was heretofore merely a proposal to set up the new department of environment.

In connection with the amendment to Bill C-207, I suggested that the proposed name, the department of environment, be changed to the department of fisheries and the environment. My amendment was moved before the estimates for the fiscal year 1971-72 were tabled in the House today. These estimates indicate that the government has anticipated how the committee would react to the proposals set out in Bill C-207. I maintain that the government has no right to anticipate Parliament in this manner, just as I have no right to anticipate that the House or the committee might accept my amendment.

I submit to you, Your Honour, that I might have assumed my amendment would be accepted by the committee and taken steps to put this into effect. I have the same rights and responsibilities in this House as the Minister of Fisheries and Forestry (Mr. Davis) and the President of the Treasury Board (Mr. Drury), or any other member of the House whether he sits in the treasury benches or elsewhere.

The rights of this House are at stake, and my point of order is simply that the committee of the whole has been placed in an impossible position because of action taken by the government. Obviously, members who sit on the government side of the House will oppose my amendment because the estimates tabled today by the government constitute or represent a clear instruction to supporters of the government as to how they should vote in respect of my amendment.

For those reasons I raised this point of order when the House went into the committee of the whole today to resume consideration of Bill C-207. I might point out that the government could have proceeded in the normal manner by bringing in supplementary estimates if, in fact, the House gave authority to the government to set up the new department of environment. The government could then proceed with the consideration of supplementary estimates are supposed to be reported to the House in government.

The second point I should like to bring to Your Honour's attention is that we are now in the midst of a debate which will substantially change the Department of Fisheries and Forestry. Not only will that department be changed in name but also in substance. As a result of this measure, we will be creating a whole new department which will take in the old Department of Fisheries and Forestry. In this connection, I should like to raise another point for your consideration. I am placed in a difficult position, as are other hon. members of the House, by virtue of the fact that nowhere in the estimates tabled today can we find estimates in respect of the Department of Fisheries and Forestry. After all, this is still a department of this government by the law of this land. These estimates are supposed to be reported to the House in accordance with orders of this House and the laws of this country.

For these reasons, I submit to you, as I submitted to the committee, that members of the committee have been placed in an impossible position in considering my amendment. This is the result of action the government

has taken in tabling estimates and by anticipating that the House would support the government rather than my amendment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is another of those questions which is in part substance and in part procedure. It is always difficult to separate the two in respect of questions of this kind. This is a difficulty I face as well, but I shall try to relate the main portion of my remarks to the procedure rather than the substance.

On the point of the substance, may I express complete agreement with my hon. friend who has just taken his seat, and with other members on this side of the House, regarding the way in which the government has, time and time again, presented Parliament with a *fait accompli*. This blue book tabled today contains many matters of policy which we now realize have been settled. Far too much of our time is spent in dealing with matters already determined before they reach us. I do not like this and I do not think it is good for Parliament. I think the government should lean over backwards to avoid this kind of thing.

I agree with my friend that it is particularly offensive that the estimates should have been tabled today during a debate on the amendment moved by the hon. member for St. John's East (Mr. McGrath) yesterday, because these estimates indicate that the matter has already been decided. There is going to be a department of environment and there is no chance that the amendment will carry. As I say, I find that offensive, and this is a practice which is indulged in far too often. I do not like it.

You have been called back into the Chair, however, not to listen to our grievances against the government, for you are well aware of them. You have been called back into the Chair to rule on a point of order. Specifically, you are asked to rule whether the Chairman of the committee of the whole was correct in the ruling he made an hour or so ago. I rise in that respect to urge you to confirm the ruling of the Chairman. What did he rule? He ruled, Mr. Speaker, that the tabling today of the book of estimates does not alter the position of the amendment moved yesterday by the hon. member for St. John's East (Mr. McGrath). He ruled that we may still debate that amendment and may have a free vote on it. That free vote may be meaningless on the government side but that is a point of argument which may be used in the debate. I confess, however, to some mystification concerning why my hon. friend from St. John's East appealed the ruling. The ruling was on his side. It was to the effect that the tabling of the blue book of estimates today with its reference to the department of the environment made no change.

• (5:00 p.m.)

I was a little surprised yesterday that there was not a procedural argument about the amendment. The Chairman gave the government side the opportunity to bring forward procedural argument if members on that side wished to do so. They did not. The Chairman ruled the amendment was in order and was properly before the House. The only kind of point of order that would upset things today would be a point of order against the propriety of the amendment before us. But the Chairman of the committee of the whole ruled today that the amendment he ruled in order yesterday is still in order, is still debatable, and that we still have the right to vote on it. It would seem to me that my friends to the right have not completely comprehended the situation when they appeal against a ruling which really is on their side.

While I am on my feet may I just express the hope that, since the spokesmen for the government side have already indicated there is still complete freedom to vote for the amendment, some of them over there will prove that freedom by voting for it when the vote comes.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we in the Ralliement créditiste are in agreement with the hon. member for Winnipeg North Centre (Mr. Knowles).

First of all, we deeply regret—and we have said so many times—that the government goes ahead without taking into account the decisions of Parliament. We feel that in doing so it violates the rights and privileges long ago secured by Parliament.

On the other hand, the fact that we now have to call on your expertise is due to a number of things and mainly to the publication of a Blue Book which took place simultaneously with the presentation of an amendment aimed at changing the name of a department.

Now, the Blue Book just published by the government anticipates evidently on the vote of the House. The normal conclusion is that our present debate is an exercise in futility, not as it concerns the ability of Your Honour, but the substance of the argument.

I feel that the decision of the committee chairman was valid—we want him to know that we do not deny his ability—and, accordingly, we suggest that your good judgment and good offices should serve Parliament, protect the rights of the members and take into consideration the proceedings of the House.

This is one-sided legislation that anticipates on the decisions of Parliament, that scoffs at the views expressed by the opposition members and at their work, allegedly because whatever comes from the opposition is bad.

Mr. Speaker, you will no doubt forgive this remark issuing from a deep sense of frustration: "If this is Parliament, it is only a joke!" If Parliament is indeed the place where legislation is made, account should be taken of the Standing Orders which provide that all hon. members, whatever their political allegiances, must be allowed to contribute to the debates and legislation.

This is why, Mr. Chairman, we rely on your ability and hope that your ruling will be in favour of Parliament and not of the government.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, it is not the hon. member for St. John's East (Mr. McGrath) who is confused concerning the point of order he raised but obviously the hon. member for Winnipeg North Centre (Mr. Knowles) who did not fully comprehend the purpose of it.

Mr. Knowles (Winnipeg North Centre): Yes, I did.

Mr. Nielsen: The hon. member for St. John's East is not complaining about the fact that his amendment is accepted and is before us for debate. To clear up the mystification of my hon. friend from Winnipeg North Centre with regard to the appeal by the hon. member for St. John's East, what he is complaining about, and what he complained about before the Chairman of the committee of the whole, was not the fact that his amendment was accepted but rather the fact that the government, having already made the decision that the new department of the environment was to be created, in fact has denied this committee the opportunity to make a free decision concerning the name of that department.

The evidence that the government has made the decision lies in the tabling of the estimates today. During the debate on the point of order, the hon. member for Halifax-East Hants (Mr. McCleave) referred to Standing Order (14) which reads as follows:

> In every session the main estimates to cover the incoming fiscal year for every department of government shall be referred to Standing Committees on or before March 1—

The rule continues. The important words are "the main estimates to cover the incoming fiscal year for every department of government". These words obviously refer to a department of government in existence. The government having made the decision to table its estimates in the form in which they have been tabled, designating the new department of the environment, leaves us with the situation that the department has in fact been named.

While the hon. member for Winnipeg North Centre says we are not precluded from debating the amendment moved by the hon. member we are, in fact, precluded as a committee from making a free decision on that amendment. The decision has been made and this shows the government's utter contempt for Parliament and parliamentary procedures. The government has made the decision, so any debate concerning the name or the amendment of the hon. member for St. John's East is an absolute exercise in futility. The fact is that the law as evidenced by the Standing Orders of this House requires the government to table estimates of the departments in existence. The government has done that and, in doing so, has changed the name. That is the essence of the complaint of my friend; that is, the function of this committee has been usurped by the government. That was the point of his appeal.

Mr. Speaker: Order, please. As hon. members know, the Chair, under the rules and practice, has the power to call a halt to the advice which is being given to the Chair. I would think I have heard quite enough at this point to reach a decision and give a ruling but at the same time, since this is an important matter, I would not like hon. members to think they have been deprived of their rights to enlighten the Chair, which does require enlightenment from day to day. I notice there are a few hon. members who still wish to take part in the debate and I will hear them provided they do it as briefly and succinctly as possible.

• (5:10 p.m.)

Mr. Ross Whicher (Bruce): Mr. Speaker, I will just take a minute if that is possible. As I understand it, the hon. member who challenged the ruling suggested the government had gone over the head of Parliament by naming in the blue book the department of the environment instead of the Department of Fisheries and Forestry. May I respectfully point out that everything in this blue book is an estimate or an anticipation. These figures in the blue book are not facts; they are simply estimates on which the government has instructed civil servants to work a year and a half ago and which it has brought here to Parliament. Now, parliament has the opportunity on every single estimate in that blue book to change those figures. We have the right to do it. May I respectfully point out that we also have the right at any time to change the name of a department, and if perchance Parliament decides that there should be no department of the environment, all we have to do this afternoon is to vote against it. We could vote against it at any other time that a responsible motion is brought forth to change the name of any department.

The hon. member suggested that the blue book was brought in here as a completely factual document. May I respectfully point out that the budget figures in the estimates are for the fiscal year ending March 31, 1972. This book, in reality, is dated April 1, 1971, and in anticipation of April 1, 1971, the government has named this department the department of the environment. I suggest to you, Mr. Speaker, and to the opposition, that the government has in no way interfered with the power of Parliament. We have the right to do as we wish today, tomorrow or any day in the future.

Mr. Paul Yewchuk (Athabasca): I will be very brief in my comments. I just want to reiterate, in a slightly different way, what has already been suggested by other hon. members. What strikes me about the tabling of the estimates today in relation to the debate that is going on is that it makes the debate appear to be a complete hoax. It indicates that the government has made a decision on the result of the vote and there is no question in my mind that the tabling of the book with the change in name to the department of the environment will have a definite influence on how government members will vote on the amendment put forward by the hon. member for St. John's East (Mr. McGrath). I think, therefore, that the government should have either withheld the tabling of these estimates until the vote was carried out and the bill was passed, or they should withdraw them now and bring back the blue book containing the present name of the department.

Mr. G. W. Baldwin (Peace River): May I take advantage of your generous suggestion, Mr. Speaker, to make a brief contribution I am moved to do this by the eloquent remarks of the hon. member for Bruce (Mr. Whicher) who had in mind the conditions which existed in earlier days. If Your Honour were to follow through what happens to these estimates in the standing committees and when they come back to the House, he would recognize that we are in fact inhibited in making any amendments. The only amending procedure would be by a substantive motion brought by a private member in the form of a public bill which, as Your Honour knows, has a great chance of being voted upon. Otherwise, I do not see how amendment would be possible. What has happened has been that blue book of estimates, brought in with a message from His Excellency, has merged the estimates with the existing statutes. There is, therefore, no chance or opportunity for a member of the House under the present practice to amend them. Under Standing Order 14, the estimates are peremptorily referred to the committees. If consideration is not completed by a certain date, they are assumed to be completed.

How can any member of the House, acting as a member of a particular committee which is dealing with this issue, move to change the name of the department? When the estimates come back to the House for final passage before May 31, how is it possible in the limited debate which is available to members of the House for any member to make a motion which would successfully bring before the House the opportunity to divide on this issue? At one time the rules of the House made this possible, but if the issue is that any member of this House is preempted from attempting in any way to put back the name of the department as has been suggested by the hon. member for St. John's East, then he has lost that opportunity. His amendment is overshadowed and merged because of the particular action on the part of the government at this time.

Mr. Stanley Knowles (Winnipeg North Centre): Would the hon. member permit a question? Does the hon. member want His Honour to rule that the Chairman was wrong and that the committee of the whole cannot now proceed with the amendment of the hon. member for St. John's East?

Mr. Baldwin: I hesitate to do this. His Honour is well versed in this issue and I would hesitate to suggest to him what decision he should make. It would be wrong for me to do so.

Mr. Thomas M. Bell (Saint John-Lancaster): There is just one question which I would like to pose to Your Honour. Would the government have taken this action had there been a minority government?

Mr. Speaker: I thank hon. members for their contributions to this interesting debate. I might say at the outset that I will not attempt to reply to the question posed by the hon. member for Saint John-Lancaster (Mr. Bell). It is certainly beyond the very limited responsibility of the Chair which is simply to rule on the procedural aspect of the matter before the House.

I have before me the report which came from the Chairman of the committee of the whole by way of an appeal under Standing Orders. I see that the Chairman ruled that the amendment had been proposed in accordance with the usages and practices of the House and in relation thereto. As has been suggested by the hon. member for Winnipeg North Centre (Mr. Knowles), the point is, from a procedural standpoint, that an amendment was proposed by the hon. member for St. John's East and there was some question as to whether or not it was in order. The Chairman of the committee of the whole ruled that the proposed amendment was in order.

From a procedural standpoint the question now is whether the tabling of the estimates today has the result of making the amendment no longer correct procedurally because, let us not forget, this is the only point on which the Speaker or the Chairman can rule. The point raised by the hon. member for St. John's East, and by some of his colleagues in the House, may be very valid from a substantive point of view. There may be something morally wrong about tabling estimates which assume that an amendement proposed by an hon. member in the course of a debate is not going to be accepted.

Some hon. Members: Hear, hear.

Mr. Speaker: At the same time, this relates much more to the aspect of tabling the estimates than to the procedural aspect of the amendment before us. The Chairman has ruled that the amendment is in order and that its procedural acceptability is not affected in any way by the tabling of the estimates, that Parliament as an institution is free to consider it objectively and to decide on it without relation to the tabling of the estimates or what may be in those estimates.

It seems to me that this ruling is a very fair one, and I would hesitate at this stage to say that the Chairman's decision should be overruled. I must come to the conclusion that I agree with the Chairman of the committee of the whole, and I am in full agreement also with the reasons he gave in support of his ruling.

• (5:20 p.m.)

Some hon. Members: Hear, hear.

Mr. Speaker: The House will now resume the committee of the whole.

And the House having resumed in committee:

The Acting Chairman (Mr. Richard): Order. When the committee's deliberations were interrupted we were on clause 14.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Are we reverting back now to Part I, clause 2, which is what we were on when the ruling of the previous Chairman was appealed?

The Acting Chairman (Mr. Richard): Is it the committee's wish to revert to clause 2?

Some hon. Members: Agreed.

On clause 2—*Short title.*

The Acting Chairman (Mr. Richard): Is the committee ready for the question?

Mr. Peddle: Mr. Chairman, I do not want to be accused of perpetrating or furthering a filibuster—

An hon. Member: You used the word.

Mr. Peddle: —but there are a few remarks I would like to make before this bill passes into eternity. First, I notice the list of the various ministers of the various departments. It is significant that it contains a Minister of Energy, Mines and Resources.

Mr. Drury: Order.

Mr. Peddle: I am speaking very much to the amendment, and I will link this up, as the lawyers say. There is also a Minister of Fisheries and Forestry and a Minister of Agriculture. Here are represented three of our great primary industries. What would be the reaction of hon. members who represent agricultural areas if the Department of Agriculture were to be renamed the department of the environment? The same question applies to members who represent great mining areas if that minister became minister of the environment.

I must support the amendment of my colleague from St. John's East, but I would like to go even further. It would create the department of environment and fisheries, but that would take away from another great segment of our economy, the forestry industry. Hon. members may ask what is in a name, and I think of Shakespeare, who said, a rose by any other name would smell as sweet. But that is poetic nonsense in relation to this situation. There is a lot in a name. People on Madison Avenue spend millions of dollars trying to come up with names that will be acceptable and appealing to the public.

When the Minister of Fisheries and Forestry becomes the minister of the environment he will be known to a lot of people in Canada as the minister of pollution, or the minister of pollution control. I am not trying to be funny, but I do not want to see our great fishing industry on both the Atlantic and Pacific coasts linked directly with a department of pollution. I know that pollution control is essential to the survival of our fisheries, but I cannot agree to linking our fisheries with pollution. It has also been suggested that the name be the department of environment, fisheries and forestry, or in short EFF, and that would be the first three letters of effluent.

For the first time in many years, the department of fisheries has gained great respect not only in my province but in all provinces that have a fishing industry. I travel quite a bit in my province and I know that finally the people are beginning to have a respect for the department. But I point out that there are thousands of men engaged in the fishing industry, and I am not reflecting on them in any way, who do not even know the meaning of the word "environment". Unless the minister can come up with some solid, sensible reasons, supporting the proposed name dreamt up by somebody in a back office, I do not want to jeopardize our valuable fishing industry by having it directly linked with a department that has the responsibility for dealing with pollution.

To suggest that the same department of government which deals with air pollution in the cities of Toronto, Montreal and Vancouver should have control over the fishery in Placentia Bay, or any other fishery on the Atlantic or Pacific coasts, does not make much sense. In my own riding I have mines, a little agriculture, and a good deal of the fishing industry. There is also some forestry. These basic, primary industries fully merit continuation of recognition in the name of the department that deals with them. I think, whether we like it or not, if the bill goes through as it is, it will dilute the effectiveness of this department and the reputation that it has gained. So, the minimum that I could possibly accept is my colleague's amendment asking for the name to be changed to the department of the environment and fisheries.

• (5:30 p.m.)

I am not overly concerned about the forestry part of it. Although that is a very great responsibility, I think that not too long ago the minister assumed responsibility for forestry matters. Before that, I think that the department was known simply as the department of fisheries. Now, in one fell swoop, the name is to be changed to the department of the environment. That name will be completely without meaning for thousands and thousands of Canadians who are engaged in the fishing industry. I do not see any necessity for it, Mr. Chairman. If there is to be a change in the name, the new name ought to reflect the department's concern with the fishing industry.

I am concerned about what will happen if we just adopt this blanket name, "the department of the environment". Let us consider what might happen if something similar were to be done with the department of agriculture. It might not be so important with respect to the department dealing with mines. We must remember that when we deal with fisheries and agriculture, we are dealing with food products. I do not think I need to remind hon. members how sensitive and how "finicky" people are in their choice of these products. I do not think I need to go into that matter at all. We accept the idea that one of the main functions of the department of the environment will be the controlling of pollution. I am very much afraid that the adoption of the new name, as contained in the bill, will in some way be reflected in our markets for this food product, fish. I will say this: I much prefer the present name of the department. I am not being too conservative when I say that there is no reason for not retaining the name "Department of Fisheries and Forestry". It is a good name and the department has a good reputation in Canada and internationally.

I understood that soon the minister is to go to Moscow and talk about conservation measures. He has made his appointment to go as the Minister of Fisheries and Forestry. God knows what may happen to him in Moscow if he turns up as the minister of the environment; we don't know. However, that is just a small consideration. I see nothing to be ashamed of in the name of that department. It is a good, sincere and honest name that reflects the industries the department is supposed to promote and encourage. There is nothing wrong with it. I should hate to think that the minister personally regarded the words "fisheries" or "fish" as words with stigmas attached to them; I would not like to think that, although what is happening almost makes one think that such might be the case.

I remember when I was campaigning in my riding an old gentleman in the port of White Bay dragged out a copy of the local St. John's paper; he looked at a picture on the front page showing the Prime Minister with a big rose in his teeth and he said, "Old man, the smell of cod fish would very likely make him sick." That is a bit of a joke. I would not doubt that that is the case with the Prime Minister, but I should hate to think that the minister of fisheries, who has begun to gain a reputation in this field, feels this way. If he wants to be known as the minister of the environment, he will never have the support of my vote. The minimum that I shall accept is that the name of the department shall contain the word "fisheries", to reflect an industry that means so much to so many of us.

[*Translation*]

Mr. Cyr: Mr. Chairman, if I take part in the debate on this amendment, it is certainly not because I intend to filibuster, as it has been done in committee of the whole in the past few days, but to correct certain statements made by my hon. friend from Gander-Twillingate (Mr. Lundrigan).

The hon. member for Gander-Twillingate stated, as recorded at page 3463 of *Hansard* and I quote:

> When Bill C-207 becomes legislation—over the dead bodies of those who are concerned about the fishing industry in Canada, we will represent the only part of Canada which has no department of fisheries—Then we come to the province of Quebec where there is a minister of fisheries—

Mr. Chairman, for the information of the members of this committee, I wish to point out to them that the province of Quebec has no minister of fisheries and that the fishing industry, in Quebec, comes under the Minister of Industry and Commerce, the hon. Gérard-D. Lévesque.

Furthermore, it must be noted that Quebec is the only province of Eastern Canada that has full jurisdiction over its fisheries, except for inspection, and this, since 1922, and that it has no department of Fisheries.

The fishing industry, in Quebec, is as prosperous and flourishing as in the Atlantic provinces. The Gaspé fishermen draw a higher income per capita than the fishermen in Newfoundland.

The government of Canada, a few years ago, combined the Department of Fisheries and that of Forestry, and without a department of Fisheries, much more has been done for the fishing industry, in Canada, in recent years, under the clever management of the Minister of Fisheries and Forestry, the member for Capilano (Mr. Davis). You will agree with me that it would be too long to list now all of the legislation introduced in this chamber by the minister, over the past three years.

That the Act be entitled "Department of the Environment" or "Department of Fisheries and Environment", Canadian fishermen, particularly those from Gaspé, do not care at all.

Mr. Chairman, may I say that, should the fishermen from my district as well as from other areas in eastern Canada, who want to earn their living honestly and energetically, see what has been going on in the House in the last few days, they would be very disappointed with the position taken by some members of the opposition who claim to be concerned about the plight of Canada's fishermen, while, through their illogical—and even valueless—speeches, and through their childish behaviour, they delay the nation's business.

Mr. Chairman, there is not only Quebec—

• (5:40 p.m.)

[*English*]

Mr. McGrath: I rise on a point of order, Mr. Chairman. The hon. member who is now speaking is imputing motives to the members of this committee who participated in this debate. He is accusing us of holding up the business of the committee.

Mr. Béchard: That is what you are, in fact, doing.

Mr. McGrath: I point out to Your Honour, and for the edification of the hon. member who just took his seat, that we have spent less than four hours on this very important part of the bill. I also point out that this is an omnibus bill containing seven distinct bills. I submit that the hon. member should be glad we are at least spending a proportionate period of time on this very important aspect of the bill coming, as he does, from a fishing constituency.

Mr. Guay (St. Boniface): The hon. member who just spoke said yesterday, in his closing remarks to the Chair, that he would speak on this bill until ice or snow would cover hell.

Some hon. Members: Oh oh!

Mr. Guay (St. Boniface): That is exactly what he said, and that is a long time.

The Acting Chairman (Mr. Richard): Order.

Mr. Lambert (Edmonton West): Even though it is snowing now, it has not done that.

The Acting Chairman (Mr. Richard): Order, please.

[*Translation*]

Mr. Cyr: Mr. Chairman, I can say that the fishermen of eastern Canada are not too much concerned with the titles of legislative measures. Action is more important to them and this is even truer with the minister and the cabinet we have had in Ottawa to govern the country over the past few years.

I furthermore wish to point out that the hon. member for Gander-Twillingate states that British Columbia also has its department of Fisheries. Well, I hear that British Columbia has no such department but that the fisheries are the responsibility of the Department of Recreation and Conservation in that province.

I do not wish to delay unduly the business of the committee, but I feel like those who spoke in the House last night that the motion of the hon. member for Saint John's East is not valid under the circumstances, and I am therefore requesting the co-operation of all the members of this committee so that we may proceed with the vote immediately.

[*English*]

Mr. Lundrigan: Before the next member is recognized, I wish to extend my congratulations to the hon. member for Gaspé on his tremendous research. I would like to ask his co-operation when I am preparing the elaborate speech I will make at some time. The hon. member has done a lot of research and is to be congratulated.

Mr. McCleave: There is a very short answer to the interjection made a few moments ago by the hon. member for St. Boniface. It is a matter of how far we have to proceed in making the very important point that the ministry of fisheries should not be abolished in the interests of insensitive technocracy. That is the point we are trying to make.

Some hon. Members: Hear, hear!

Mr. McCleave: The fact that we made our point in four or five hours is an indication of the warmth that we have for the subject. It does not indicate that we are achieving the goal. The one who can indicate that is the minister of fisheries.

[*Translation*]

Mr. Guay (St. Boniface): Mr. Chairman, on a point of order. I made a mistake a few minutes ago. I would like to correct the situation—

[*English*]

I wish to quote the last sentence of the remarks of the hon. member for St. John's East as reported at page 3458 of *Hansard*:

> I want the minister to know that we are prepared to hold up this part of the bill until hell freezes over.

I used the wrong word when I said "snow". I want to rectify that.

[The Acting Chairman (Mr. Richard).]

Mr. McCleave: Mr. Chairman, I think the hon. member has quoted correctly. We are in a position where we have to be very sure of the strange words that intrude into our debate. However, the hon. member did state the essence of what the hon. member of St. John's East had said. This is such an important point that we make no apology for raising it and for persisting in it. A member from the government side has now talked about the importance of fisheries. That is an important gain from our standpoint. We now have some recognition from a member opposite. He sees the point we have been trying to make.

Is the minister of fisheries rejecting the request of the hon. member for St. John's East that this new department be renamed the department of environment and fisheries? Is it as simple as that, or does the minister think there should be more argument? Possibly we could hear the minister's answer. After all, debate is supposed to be the essence of this place. It is so rare that we get into committee of the whole many of us lose our debating instincts. What bothers the minister about renaming the department the department of the environment and fisheries?

Mr. McGrath: It does not change the bill.

Mr. McCleave: It does not change the bill. Perhaps it will strengthen it when the minister is dealing with the spending part for fisheries. I think that is important.

What will make the department of the environment work is the fact that the government will appoint the member for Capilano as the minister. This man commands the respect of members of the opposition. He worked diligently as minister of fisheries and has very definite ideas about pollution. Because of this, the government is lumping together all these factors into this change. The danger is that one member on the government side is qualified to combine a war on pollution with the problem of administering the department of fisheries, and "the government is creating the department of environment which will take advantage of those talents. I am very serious in making this argument. I talked about this before when I referred to the schizophrenic aspects of what the minister is up against. I do not want to make a personal argument or an argument directed *ad hominum* at the legislation. I prefer not to be in that position. The reason that this organization bill has been introduced and the reason fisheries is being swallowed up in this new department of the environment is the minister. I cannot think of any other reason.

If we were starting this country over again and knew the subjects to be assigned, but did not know the qualifications of a group of men, we might think of renewable resources as befitting a minister. The farmers, fishermen and foresters—would come under that department because they deal with renewable resources. Mining, energy, steel and other inanimate forces would come under another department. However, this is not the way the reorganization is being carried out at this time. The minister may say that environment is one concept and

fisheries is a slightly different concept. Perhaps they are so much so that one should really not be submerged in the other. I have not dealt with that aspect up until this time. This is the point in reorganization.

The minister is being told now to take his portfolio of fisheries to the new department. Because he happens to have a lot of experts in that department who have dealt somewhat with the war on pollution, this is the logical place to set up a department of the environment. There is no other department which has so much expertise in it as the department of fisheries to form a department of the environment. I say that, but one year from now, or two or three years from now, what sort of computer approach will be used to form government departments? For the life of me I cannot figure it out. When you have illogical processes at work special attention from the House of Commons is demanded. It is illogical, and other persons are agreeing with me that it is illogical, that on the one hand you should have a person who is interested in the exploitation of renewable natural resources, that is, fish, and on the other hand you have been saying that the water resources of this country should be treated in such and such a way or that there is a war going on against pollution. I say it is a tug of war within the mind of any one person to have to accept what, to me, are conflicting duties and responsibilities. That is why we are making no apologies for doing our best to at least get the "environment and fisheries" into this name, to recognize that there are in essence two departments involved here. Then, hopefully, in good time, we shall do something to carry that measure of achievement a lot further.

• (5:50 p.m.)

Mr. McGrath: Some of the concern we have expressed is apparently well-founded. I refer members of the committee to what are supposed to be the estimates of the Department of Fisheries and Forestry in the new blue book tabled today for 1971-72 under "environment". It appears to me that the downgrading process has already begun. We find it difficult at first glance to say exactly what the position of the Department of Fisheries and Forestry is with respect to government plans for the coming fiscal year.

The reason is that the primary responsibilities of the minister in his proposed new department of the environment will relate to pollution and related subjects—clean water, the management of the Canada Water Act, the setting up of water management boards and so on. All these activities will be the primary task of the minister who, if this legislation passes, will become the minister of the environment. This is what the present debate is all about. This is what my amendment is all about.

We are not asking the government to change the act in any way. On the contrary, we support what the government is doing. We support the creation of a department charged with protecting the environment. We repeat that the logical minister to be given this responsibility is the minister of fisheries because he already has the expertise within his department by virtue of the provisions of the Fisheries Act. All we want to do is ensure that our fears as to the downgrading of the fisheries responsibility will not be borne out as a result of the establishment of the new department. We are trying to take out insurance by putting the word "Fisheries" into the name of the new department. I fail to understand why the government cannot accept this amendment. It does not change anything, but it satisfies us that the government's intentions with regard to the department of fisheries are honourable. Among the many folksongs of Newfoundland there is one which is known as "I'se the boy that builds the boat." I am sure the minister is familiar with it. The first verse goes:

I'se the boy that builds the boat
I'se the boy that sails her
I'se the boy that catches the fish
And brings them home to Lisa

It is poor Lisa that I am concerned about. I am concerned lest there be no fish for Lisa and no fishermen to catch the fish. The minister knows we are concerned about conservation. This is a matter which has been earnestly and honestly dealt with by my hon. friend from Gander-Twillingate on many occasions. We are concerned about the depletion of our fish stocks and the overexploitation of our fisheries resources. We have urgently called attention to the need to obtain a meaningful agreement with the countries which fish off our shores on a sustained yield basis. But we fear that when this new department of the environment is set up the fisherman fishing off St. Mary's, or the bill of Cape St. George, or off the west coast of Canada, will be lost in the shuffle. There will be no one to look after him or to take a special interest in the difficulties he faces notwithstanding the fact that the Parliament of Canada under our constitution has a special responsibility with respect to the administration of the fisheries. It is not a provincial authority. The authority which the federal government and Parliament has given to the provinces is a designated one. This field is really under the sole jurisdiction of the government and the Parliament of Canada and it is in the exercise of this responsibility that we have put forward our amendment.

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

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. McCutcheon: May I ask the leader of the House what goodies will be served up to us tomorrow?

Mr. MacEachen: We shall remove the current menu. We shall interrupt the filibuster and give hon. members opposite a little rest. Tomorrow, we shall call the bill dealing with veterans affairs and the bill dealing with

the Crop Insurance Act. Perhaps this will put everybody into a better frame of mind and we shall return to the present bill with greater readiness to get on and pass it.

An hon. Member: Just accept our amendment.

Mr. Knowles (Winnipeg North Centre): Now that we are all in a good frame of mind, will the minister also tell us what we shall be doing on Friday?

Mr. MacEachen: I cannot tell the hon. member right now. I am dependent upon what happens tomorrow and on the results of consultations with my colleagues and other House Leaders.

Mr. Knowles (Winnipeg North Centre): I thank the minister for such an honest answer.

At 6.02 p.m. the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, February 18, 1971

The House met at 2 p.m.

PRIVILEGE

MR. SKOBERG—PUBLICATION OF BOOKLET "HOW YOUR TAX DOLLAR IS SPENT"

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have given notice of my intention to raise a question of privilege concerning the publication by Information Canada at public expense of a booklet called "How Your Tax Dollar Is Spent". If you find my question of privilege is well taken I will be prepared to introduce a motion.

In the introduction to this booklet the President of the Treasury Board makes it known that the tabling of the estimates is being used as an occasion upon which to provide a greater amount of information about the estimates. He also advises that the booklet will be available to members of the general public through Information Canada upon request. He states that the publication also describes the allocations recommended for the particular year 1971-72 in terms of the priorities of the nation, and, consequently, of the government.

I agree that the public is entitled to the maximum amount of public information, but we must be concerned lest such an instrument of information as Information Canada be converted into an instrument of propaganda. Over the past years we have attempted to obtain consultant reports in order that the people of Canada may know what is going on, but in most cases these have been denied to us. Now the public, by means of the booklet in question, and at large public expense, is being given a shot of strictly government propaganda through the publication of this booklet by Information Canada which we were told would never be used for this purpose. I would refer Your Honour to just a couple of paragraphs in an effort to make my point. On page 10 the following words appear:

> In these discussions ministers considered certain basic facts. One of the more basic was that while Canada as a whole enjoys one of the world's highest standards of living, many Canadians are finding it difficult to get by.

A little further down the page we read:

> The federal government has for some years been attempting to narrow this gap between rich and poor provinces and since 1968 has intensified these efforts.

On page 11 we find the following:

> Before it decides how to allocate your dollars, the government must determine how big its total spending program should be. It is no easy matter to arrive at a total such as the $14,352 million the government has proposed to Parliament for 1971-72. More than a year ahead, a forecast is made of the state of the economy.

This appears accompanied by a side heading "Decisions, Decisions".

If material such as this is allowed to continue to be published at public expense, and the opposition has no means of countering such propaganda, what is the purpose of this House? If the government is allowed to use public moneys to finance the publication of what they wish to put out for public consumption, to what length will the government go in the course of the so-called rationalization of government information?

In conclusion, I would say that Information Canada should not be used for the dissemination of political party propaganda. I sincerely urge you to recognize the dangers inherent in the absence of controls over the nature of the services to be provided. The only way in which this could be done would be by means of an all-party understanding, and for this to be reached it would be necessary for a committee of the House to explore the charges I have made.

Some hon. Members: Hear, hear!

• (2:10 p.m.)

Mr. Speaker: The hon. member has given the Chair notice of his intention to raise the matter to which he has just referred by way of a question of privilege. The Chair has had an opportunity to give the matter some thought. I have listened closely and with interest to the comments made by the hon. member. I have to advise the House that, although there may be a grievance in what the hon. member has said, there cannot be a question of privilege. In the circumstances I do not think that the motion to which the hon. member has alluded can be put at this time.

ROUTINE PROCEEDINGS

POLLUTION

POSSIBLE THREAT TO BRITISH COLUMBIA COAST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on a matter of urgent and pressing necessity I propose to ask the unanimous consent of the House to put a motion. The justified anxiety of Canadians about the ever-increasing pollution of the Canadian heritage—our lands, our seas, our inland waters and the air we breathe—is reflected in the legislation that was enacted by this Parliament in the last session and in the several bills now under consideration by this House. A developing threat to our west coast seas and thereby to present and future residents of British Columbia, among whom are our coastal Indians, has become a clear and present danger with the TAPS

hearing in Washington by the United States Department of the Interior. If the House would consent, I would therefore move:

That this House urges the government forthwith to express Canada's opposition to the TAPS proposal; and further urges the government to inform the government of the United States that both nations must participate in a joint task force to reach a solution to the problem that will best protect the environment of any route used.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Peace River which requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity so the motion cannot be put.

* * *

THE CANADIAN ECONOMY

POSSIBLE SALE OF McCLELLAND AND STEWART PUBLISHING FIRM TO FOREIGN INTERESTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to ask the leave of the House to move a motion under the provisions of Standing Order 43. I can explain my reasons for so doing in one sentence. This morning McClelland and Stewart, the publishing firm, announced its intention to sell, and while it indicated that it would be reluctant to sell to foreign concerns it did not exclude that possibility. This is the third major Canadian publishing house to be placed in this position in the last six months. I would therefore move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House urges the government to consider specific measures to prevent the third major Canadian book publisher in six months, McClelland and Stewart, from being purchased by foreign interests, and immediate action, such as the provision of long-term, low-interest loans to Canadian book publishers and the creation of a Canadian book development corporation in order to prevent the imminent collapse of the Canadian publishing industry.

Mr. Speaker: The motion proposed by the hon. member under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity so the motion cannot be put.

[Mr. Baldwin.]

MOTION TO ADJOURN UNDER S.O. 26

THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the statement made in the House of Commons yesterday by the Minister of Energy, Mines and Resources (Mr. Greene) that Home Oil Company Limited of Calgary had not yet been sold and this morning's press reports that a sale is imminent, and hence the need for Parliament to debate this vitally important matter and to consider methods of preventing the last major Canadian-owned and controlled oil company from being sold to non-residents.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands has given the notice required under this Standing Order 26. As hon. members know, this same matter was brought to the attention of the House about a week ago. At that time the Chair indicated that this was the kind of matter or type of situation contemplated by the provisions of Standing Order 26.

At that time I indicated that in view of the fact there were to be two days of debate on the budget that would be an ideal occasion for the House to consider this very important and urgent matter. Unfortunately that debate did not relate to this particular matter. There was a debate on unemployment and the subject matter raised by the hon. member for Nanaimo-Cowichan-The Islands was not touched upon. I am of the same opinion today in that I believe this is the type of situation contemplated by the Standing Order and that under such circumstances the Chair should be prepared to put the motion to the House.

I might say in passing that I have some objection to the form of the motion put by the hon. member, specifically the reference to the statement by the minister. This would perhaps give the impression that what the hon. member wishes the House to discuss is the statement of the minister. At that point we might perhaps get into the type of debate which I am sure the hon. member does not envisage at this time.

Having said all this and having given the matter very serious consideration, and taking into account the probability that the very important debate in the House this afternoon on veterans affairs legislation is likely to be completed before this evening, I would think that hon. members would want to have the opportunity to express their views on this subject. Therefore I propose to ask whether the hon. member has the leave of the House to put his motion?

Some hon. Members: Agreed.

Mr. Speaker: The motion will therefore stand for consideration at eight o'clock this evening.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

POSSIBLE SALE OF McCLELLAND AND STEWART PUBLISHING FIRM TO FOREIGN INTERESTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the appropriate minister, who I believe is the Minister of Industry, Trade and Commerce. Has he any information to give the House about the imminent sale of the firm of McClelland and Stewart? Has he had any contact with this firm in this regard and, if so, what steps does he propose to take?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, I have no personal information, but immediately after the question period I will make inquiries. I understand Mr. McClelland is a prominent member of a committee which has as its prime purpose the maintaining of Canada for Canadians. I would be surprised if he intended to sell to foreigners. I have been informed by my valuable Parliamentary Assistant that Mr. McClelland has said in public he has not made that decision.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question. In light of this takeover of another Canadian publishing company, is the minister prepared to release the recommendations of the study he had undertaken by the officials of his department into the Canadian book publishing industry?

Mr. Pepin: Mr. Speaker, it was tabled in the House quite a number of weeks ago.

Some hon. Members: Oh, oh!

Mr. Doug Rowland (Selkirk): Mr. Speaker, would the minister be prepared to indicate to the House whether he is considering specific action, such as the institution of long-term, low-interest loans to Canadian book publishers and the creation of a Canadian book development corporation in order to prevent such action within the Canadian publishing industry in the future?

Mr. Pepin: Mr. Speaker, a few weeks ago, at the time of a previous takeover, and I am not assuming we have another one now, an interdepartmental committee was set up for the purpose of looking into this situation. I will undertake to inquire where the study now stands.

Mr. John Burton (Regina East): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce if he will discuss with his colleague the Minister of National Revenue, who is working on the government policy in respect of foreign ownership, the possibility of developing an interim policy to deal with this very immediate and urgent situation?

Mr. Pepin: I will bring this to my friend's attention.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary. I should like to ask the Prime Minister whether he has received a wire or communication in respect of the sale of Banff Oil, a Canadian company, to the Aquitaine Company of Canada which is a wholly foreign-owned French company, I understand?

Mr. Speaker: Order. I have some doubt whether this is a supplementary question. My understanding is that the original question of the Leader of the Opposition dealt with a specific problem having to do with the question of foreign ownership. Perhaps we are getting away from that subject, and it may be that the hon. member will have an opportunity to raise his question in a minute or so. I will recognize him as soon as possible. In the meantime I believe the Leader of the Opposition has a supplementary.

Mr. Stanfield: Mr. Speaker, from the answer given by the minister am I to understand that he has had no communication from this firm with regard to any difficulties which might lead to a sale, that he has had no indication to date of any difficulties which might bring about the sale of this company?

Mr. Pepin: Mr. Speaker, I thought I was very clear on that. I thought that by giving Mr. McClelland's credentials I would throw a little cold water on the subject, but I intend to get in touch with him as soon as I can.

* * *

OIL

INCREASE IN PRICE OF VENEZUELAN CRUDE—EXTENSION OF PIPELINE TO MONTREAL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister arising out of the announcement in this morning's press that the Venezuelan oil producers have announced they are going to raise the price of crude oil by 25 per cent effective next month. In view of the fact that some 50 per cent of Canada's oil supplies come from Venezuela, can the Prime Minister assure the House that the government will take whatever steps are necessary to have the interprovincial pipe line extended into the Montreal area so as to give the people of that area some protection against this very large increase in the price of crude oil?

Right Hon. P. E. Trudeau (Prime Minister): I will refer the question to the minister responsible for energy, mines and resources. Of course, if Venezuela wants to act by next month I do not believe the action the hon. member suggests could be taken in time to alleviate that problem.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the Interprovincial Pipe Line Company is making an application to the National Energy Board during hearings which are to begin on March 16 in which it will ask for additional operations in the parts of

Canada it now serves, would the Canadian government be prepared to intervene at the hearing to ask the National Energy Board to take whatever steps are necessary to get the Interprovincial Pipe Line Company to extend its pipeline, particularly in view of the fact that there is a conflict of interest in that it is owned by a company which is bringing Venezuelan oil into the Montreal market?

Mr. Trudeau: Well, Mr. Speaker, this would seem to be hypothetical; if the company does feel it is an economic proposition and if it should make an application, then I am sure if these hypotheses are met the National Energy Board will hear them fairly.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a final supplementary. I should like to ask the Prime Minister whether it is the government's intention to leave this matter entirely to the discretion of the Interprovincial Pipe Line Company in view of the fact that it is owned by an American company which is bringing in oil from Venezuela and is therefore unwilling to have western Canadian oil brought to the Montreal area in competition with their own oil from Venezuela?

Mr. Trudeau: I am asked what the government's intention would be in a hypothetical situation. I do not think the government can answer that.

SUGGESTED FEASIBILITY STUDY OF ECONOMICS OF BUILDING PIPELINE FROM WEST TO SERVE EASTERN CANADA

Mr. Eldon M. Woolliams (Calgary North): My question is along the same lines. Two days ago I asked the Prime Minister whether the government would set up an economic study on the feasibility of building a pipeline to eastern markets. I drew to the Prime Minister's attention that other ministers had said they would leave it to free enterprise. In view of the fact that the same corporation that might transport crude petroleum to the east is also importing it into Canada, would the Prime Minister now consider establishing an independent economic study to look into the feasibility of building and extending the pipeline in question?

Right Hon. P. E. Trudeau (Prime Minister): I will refer the matter to the minister responsible.

Mr. Woolliams: May I follow that through, Mr. Speaker. May I bring to the Prime Minister's attention, with the greatest respect, that two days ago he took this question as notice. I understood from that that he would give me an answer.

Mr. Trudeau: When I take a question as notice for other ministers it is referred to the ministers so they can answer the questions that should be asked of them.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister whether he does not think this is a question of some national importance in which he might take some initiatives?

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

[*Translation*]

AGRICULTURE

REDUCTION IN DEPARTMENTAL BUDGET

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister of Agriculture.

Can he tell us whether he is satisfied to see the government increasing its expenditures for fiscal year 1971-72 by $1,400 million while reducing by almost $30 million the budget of agriculture, that of the most underprivileged class of society?

Mr. Speaker: The hon. member's question is argumentative. He is asking a minister whether he is satisfied with a certain situation, thus inviting the minister to express an opinion. If the hon. member has no objection, I will say the question is out of order.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. G. W. Baldwin (Peace River): I have a question for the Minister without Portfolio who answers for Information Canada. It relates to the booklet referred to earlier by the hon. member for Moose Jaw. In view of the fact that this rhapsody in blue constitutes a blurb and puffery for the Liberal government, will the minister see that equal funds are made available out of the public purse for the opposition parties to deal with the same issue?

Mr. Speaker: Order, please.

* * *

INDUSTRY

GUIDELINES RESPECTING SALE OF COMPANIES TO FOREIGN INTERESTS

Mr. William Skoreyko (Edmonton East): I should like to ask the Secretary of State for External Affairs if he can indicate to the House whether the government now has guidelines under which industry can operate so they do not have to operate under the handicap of government intervention when sales are contemplated and particularly when negotiations are in progress?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am sorry, Mr. Speaker, but I did not get the purport of the question.

Mr. Skoreyko: I will ask it again. Can the minister indicate to the House whether the government now has guidelines under which businesses in Canada can operate so that they do not have to operate under the handicap of government intervention when sales are contemplated, and particularly when they are being negotiated?

Mr. Sharp: I do not see why this question concerns in particular the Secretary of State for External Affairs.

GRAIN

LIFT PROGRAM REGULATIONS FOR CALCULATION OF SUMMERFALLOW—EQUITABLE PAYMENT OF FARMERS

Mr. Gordon Ritchie (Dauphin): I have a question for the minister in charge of the Wheat Board. In view of the interpretation of certain regulations in the Lift program dealing with the calculation of summerfallow using 1968 crop figures, resulting in some farmers being paid and others in identical circumstances not being paid, and as the legal opinion was belatedly announced in December, 1970, is the minister looking into this matter so that payment will be made in an equitable manner to all?

Hon. Otto E. Lang (Minister of Manpower and Immigration): If the hon. member would give me the details of the problem to which he is referring, I would be glad to look into it.

REASON FOR SHIPS HAVING TO WAIT TO BE LOADED AT VANCOUVER

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question for the minister responsible for the Wheat Board. I have asked him a number of questions relating to the number of ships standing by in Vancouver harbour waiting to be loaded. Has he any comment to make on the fact that there appear to be 19 ships in Vancouver harbour, 12 of which are standing by because of lack of grain to load?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I had my office get in touch with Vancouver at noon today and I understand that at this very moment 11 ships are waiting, having passed inspection and seven are being loaded. As I indicated to the Leader of the Opposition several days ago, there is quite an accumulation of ships destined to arrive in February as a result of failure to arrive earlier. As I understand it, there may be as many as 17 or 18 more vessels due to arrive in the month of February. If they do all arrive we can expect to see some lengthy queues in the process of moving toward record loadings at the port of Vancouver.

Mr. Stanfield: Mr. Speaker, I would like to ask the minister whether he is assuring the House that the appropriate grades and quality of grain are there to be loaded on these ships that are waiting?

Mr. Lang: What I can assure the House is that the block system is working very well—

Mr. Stanfield: Answer the question.

Mr. Lang: —and that the programming of grain from Winnipeg by the Wheat Board, in co-operation with the railroads and elevator companies, is taking place with the nominated ships in mind so that an attempt is made to have the right grain there at the right time. It is because of the efficiency of this system that we may be approaching record loadings.

Mr. Stanfield: Mr. Speaker, I do not want to be too persistent, but would the minister be good enough to answer my question? Is there grain there at Vancouver to be put on these vessels that are waiting?

Mr. Lang: Mr. Speaker, I do not have the facts—

Some hon. Members: Oh, oh!

Mr. Lang: —on the exact quantities of grain in store and the amount required by the number of ships, but what I would tell the Leader of the Opposition is that if you count the grain in the pipeline, that is the grain in the railway system on its way to Vancouver, a very efficient job is being done in attempting to see that the grain is there to meet record loadings in the month of February.

REQUESTED DELAY IN REPAYMENT OF CASH ADVANCES UNTIL SEEDING COMPLETED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the minister in charge of the Wheat Board. In view of the very tight cash situation of the Prairie grain farmer and in view of the request by the National Farmers Union at its recent meeting with the cabinet, will the minister give consideration to delaying the collection of cash advance payments at least until after seeding?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would like to have some further discussions with the National Farmers Union to see what they had in mind. Generally speaking, I think they agree with the proposition that cash advances should be repaid within the course of a year. I believe the reference was to some particular problems of small farmers or of farmers with particularly small quotas, and I would be glad to have further discussion with them on this matter.

SUGGESTED PRICE GUARANTEE TO FARMERS ON EXPORTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the minister in charge of the Wheat Board. Having regard to the failure of the Geneva conference to reach a conclusive agreement, is any consideration being given by the government to establishing a realistic price guarantee for grains destined for export based on current production costs, which would serve to relieve the producers of some of the disastrous effects of the cut-throat selling policies of other exporting countries?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I have said a number of times that we should not be so pessimistic as to believe competition of that sort need follow. I might also say that I do not think we will ever be in a position to adopt a guaranteed income approach which covers full costs regardless of the price obtained for these products in the international markets.

Mr. Mazankowski: Mr. Speaker, does the minister expect the producers of this country to shoulder all the vagaries of the international marketplace?

Mr. Speaker: Order, please.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to ask a supplementary question. In view of news reports today that several countries, including Great Britain, intend to withdraw from any further participation in the joint wheat aid programs under the previous agreements, does the minister still adhere to the statement he made in the House the other day that there has been no dramatic change as the result of the failure to reach a further agreement?

Mr. Speaker: Order, please.

ALLEGED FAILURE TO REACH INTERNATIONAL WHEAT PRICE AGREEMENT BECAUSE OF CHANGING OF CANADIAN GRADING SYSTEM

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the minister in charge of the Wheat Board whether, in view of reports emanating from the United States that an agreement was not concluded at Geneva because Canada was changing its grading system, he would care to comment on that aspect or make a statement in the House denying these allegations?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, certainly any suggestion that that was the reason for failure I would label as completely erroneous. Certainly the question of protein grading in Canada, and therefore its impact on grades and the possible change of names for some of our leading grains, did enter into the discussions, but I would not agree that was the basis for failure.

* * *

[*Translation*]

LABOUR CONDITIONS

CREATION OF SUMMER JOBS FOR STUDENTS—PROGRAMS FOR UNEMPLOYED UNDER 25

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask the Prime Minister a question on summer employment for students.

Since 45 per cent of the unemployed in Canada are under 25, is the Prime Minister considering a reassessment of employment programs for students, so as to bring substantial changes to his manpower policy and to let this mass of young unemployed participate efficiently in the economic life of our country?

Mr. Speaker: Order. It seems that the question of the hon. member was asked yesterday during the oral question period. Unless there have been developments since, I do not feel that this question is acceptable.

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CRIMINAL CODE

AMENDMENT OF SECTION RESPECTING CONTEMPT OF COURT

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to put a question to the hon. Minister of Justice.

[Mr. Mazankowski.]

In view of the position of the fighting wing of his party regarding contempt of court and the events which recently took place in the courts, will the minister consider amending shortly the provisions of the Criminal Code pertaining to contempt of court so that the accused may have a full defence, and that persons convicted for contempt of court may have a *de plano* right of appeal?

Mr. Speaker: The hon. member will recognize that his question may be somewhat thorny. He knows as well as I do about the limitations which must be taken into account when putting a question relating to a current trial.

If the hon. member chooses to ask the question in a general manner, without any reference to any specific situation, it could perhaps be in order and the minister might wish to answer it.

Mr. Asselin: Mr. Speaker, my question will be brief and very simple.

Does the Minister of Justice intend to amend the Criminal Code in the near future with regard to contempt of Court?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have already answered that question by saying that all provisions of the Criminal Code are under constant review by the Department of Justice.

* * *

[*English*]

PUBLIC WORKS

DELAY IN COMPLETION OF DOCKS FOR NEW DIGBY-SAINT JOHN FERRY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, before asking my question I would like to take this opportunity to welcome back the hon. member for Parry Sound-Muskoka who has just walked into the chamber.

Some hon. Members: Hear, hear!

Mr. Comeau: My question is not to him but to the Minister of Public Works and I believe he has been advised of it. Can he state whether it is a fact that the Digby-Saint John ferry which, Mr. Speaker, is a matter you have not heard raised for a long time, will be operating by the end of March as stated, or whether there is truth to the rumours that there is a hold-up and, if so, why?

Mr. Speaker: Order, please. The question cannot be asked in those terms. Perhaps we might overlook the second part of the question and assume the first part was asked directly and allow the minister to reply.

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, there has been a delay in this project which was originally expected to be completed in April, 1971.

Mr. Stanfield: A delay?

Mr. Laing: This is a major job. There was difficulty with the first protective pipe that was ordered and that caused a delay of some three or four months. My engineers now tell me that it may be August 1 before the docks are completed at each end. This is an embarrassment to us because we understand the ship is going to be commissioned very shortly.

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary question to the minister. In view of the fact that a private company, the CPR, has invested a tremendous amount of money in this vessel and as the heavy tourist season is very important to them, will the minister give the assurance that alternative sites will be considered and, if necessary, have full discussions with the company in this regard?

Mr. Laing: Mr. Speaker, we are in communication with the company now and foresee the possibility of accelerating the work and accommodating the company at the earliest possible time. I want to remind my hon. friend that the people of Canada also have a tremendous investment in these two docks.

* * *

INDUSTRY

TIRES—CHANGES IN TARIFF STRUCTURE

Mr. Max Saltsman (Waterloo): My question is directed to the Minister of Industry, Trade and Commerce. Are changes being considered in the Canadian tariff structure with regard to tires? I refer to changes affecting tire manufacturers other than Michelin.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker.

Mr. Saltsman: Could the minister indicate what those changes are? If he is not in a position to indicate this today, perhaps he can tell us when he will make a statement?

Mr. Pepin: Mr. Speaker, on a number of occasions I have referred to the general purpose of our project of rationalization of the tire industry in Canada. I have referred to the 160-odd types of tires that we produce constituting 6 per cent of the Canadian production. The need for rationalization is recognized by everybody. My hon. friend is familiar with our approach, that is, the allowance of imports of certain types of tires tariff free in return for concentration on certain types of tires for the domestic and for export markets. That is the same approach as the one taken by the Minister of Finance in the case of Michelin. Our department is working hard on that project.

* * *

HEALTH

INCLUDING OF NURSING AND CUSTODIAL CARE HOMES UNDER HOSPITALIZATION PLAN

Mr. P. B. Rynard (Simcoe North): My question is directed to the Minister of National Health and Welfare,

Mr. Speaker. Some time ago I asked the minister what progress was being made in bringing nursing and custodial care homes under hospitalization, thus relieving the terrible distress and anxiety of older citizens who find themselves without money or a place to go when discharged from hospital. If the minister has not got a ready answer, perhaps he will make a statement on motions on Monday.

Hon. John C. Munro (Minister of National Health and Welfare): That is not necessary, Mr. Speaker, and I thank the hon. member for giving me notice of the question. The whole question of including such institutions under hospitalization, which would widen the legislative framework of that particular Act, is under review now with the health ministers. If we arrive at such a conclusion it would be subject to the approval of the government and we would have to come back to the House. In the meantime, I would remind the hon. member that those in need of custodial care can qualify for cost-sharing under the Canada Assistance Plan.

Mr. Rynard: I wonder if the minister is aware just how long it takes that operation to get going.

Mr. Munro: It is going right now.

* * *

INDIAN AFFAIRS

ESKASONI RESERVE—PROVISION OF HOUSES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development but in his absence and because of the urgency of the matter I should like to direct it to the first minister. In view of the information relayed in the House a few days ago by the Minister of Indian Affairs and Northern Development in reference to the urgent requirement for housing on the Eskasoni reserve in Nova Scotia, the largest reserve in the Atlantic provinces, that 29 new houses will be constructed and in view of the information contained in the telegram from Chief Dan K. Stevens that 15 houses only have been approved in the budget whereas 47 houses are required for families who have no homes or housing whatsoever, would the Prime Minister not only take this question as notice but also urge that an investigation into this urgent matter be carried out immediately?

Right Hon. P. E. Trudeau (Prime Minister): I will do the former, Mr. Speaker, and then I will decide if the latter is necessary.

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TRANSPORT

SUGGESTED USE OF LIGHT ON HALIFAX MONUMENT AS SIGNAL FOR SHIPPING

Mr. Robert McCleave (Halifax-East Hants): I have a question for the Minister of National Defence and I have

given corridor notice of it already. May I ask the minister to suggest to his colleague the Minister of Transport that he consider whether the monument to the merchant seamen of the world wars located at the southeast end of Halifax could become a signal for shipping so that this light will not have to go out? I ask this question because the private veterans organization that has been responsible for it is no longer able to meet the utility bills.

Hon. Donald S. Macdonald (Minister of National Defence): I thank the hon. member for enlightening me on this question, Mr. Speaker.

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MIGRATORY BIRDS CONVENTION ACT

NEGOTIATIONS WITH UNITED STATES RESPECTING RECOGNITION OF NATIVE PEOPLE'S HUNTING AND FISHING RIGHTS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, on February 9 the Secretary of State for External Affairs took as notice a question I asked about negotiations with the United States regarding possible alterations to the Migratory Birds Convention Act which would give recognition to the aboriginal rights of the native people. I hope that the minister may have an answer for me today because, as he may have noticed from reading the press, this is becoming increasingly a matter of controversy and—

Mr. Speaker: Order. The hon. member has asked the question and perhaps he should give the minister the opportunity to reply.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there were preliminary discussions with the United States at the official level two years ago. However, since that time there has been no substantive discussion. Last fall efforts were made by Canada to renew the subject but because of changes in the top personnel of the United States Department of the Interior which occurred at about the same time it has not been possible to make firm arrangements for a meeting. At the moment, therefore, we cannot indicate when consultations might be renewed.

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[*Translation*]

TAXATION

PRESENTATION OF BILL IMPLEMENTING REFORMS

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Finance.

Does he intend to introduce in the near future his tax reform bill and specify what are the tax reforms he intends to propose, owing to the uncertainty of Canadian and foreign investors as a result of which they are prevented from investing further in Canada?

[Mr. McCleave.]

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have indicated in the House when I would expect to be able to bring forward the legislation with respect to tax reform.

* * *

THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—REPORTED REQUEST BY MINISTER THAT LETTER OF INTENT BE KEPT CONFIDENTIAL

Hon. Robert L. Stanfield (Leader of the Opposition): In the absence of the Minister of Energy, Mines and Resources I should like to ask the Prime Minister whether one of his ministers caused a request to be made to the Brown interests and the Ashland interests that the letter of intent involving the control of Home Oil Company dated in January be maintained on a confidential basis?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know no more about this than the minister said in the House in answer to a question a couple of days ago.

Mr. Stanfield: Mr. Speaker, this is an important subject and one upon which a debate is to take place tonight. The minister indicated that he knew of the agreement. It has not been made public, and the report is circulating that the government requested that the parties involved keep silent about it. In view of the importance of this matter, would the Prime Minister or someone on behalf of the government clarify this issue? I also make this request because other investors were trading in these shares in the meantime.

* * *

INDUSTRY

LUMBERING—CLAIM THAT TAX STRUCTURE ENCOURAGES UNITED STATES TAKEOVERS OF CANADIAN FIRMS—EFFECT OF UNPEGGING OF DOLLAR ON INDUSTRY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. I wonder if he has received any other representations beyond those of the Canadian Lumbermens' Association or if he has seen the report of the meeting of the Canadian Lumbermens' Association claiming that Canada's tax structure, particularly estate taxes, is designed specifically to encourage United States takeovers of Canadian lumber firms?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have not seen this report.

Mr. Lambert (Edmonton West): Has the minister received any representations from the lumber operators of this country to the effect that the unpegging of the dollar has cost them about $50 million in revenue so far and has resulted in the industry operating at only about

60 per cent of capacity, thereby causing a great deal of unemployment?

Mr. Benson: Mr. Speaker, there is no doubt that the fact that the Canadian dollar is stronger has an effect on export sales.

* * *

POLLUTION

PRESENT AND POTENTIAL PROBLEMS ON WEST COAST—INVITATION TO CANADA TO CO-OPERATE WITH UNITED STATES IN STUDY

Mr. David Anderson (Esquimalt-Saanich): In light of the commitment made on Monday by the United States Secretary of the Interior, Mr. Morton, to examine present and potential shipping problems on the west coast of the continent, may I ask the Secretary of State for External Affairs whether the Canadian government has as yet been invited to co-operate in this study?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The United States government has not invited us to consult with them but I have invited the United States Secretary of State to consult with us.

THREAT POSED BY TANKER TRANSPORT OF OIL FROM VALDEZ, ALASKA, TO CHERRY POINT, WASHINGTON—DIRECT REPRESENTATIONS TO UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, there have been repeated appeals by Canadians and Americans protesting the shipping of Alaskan oil from Valdez to Cherry Point. Why has the Canadian government not made any direct representations to the government of the United States regarding the pollution hazard that would be entailed by such shipments?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the reason is that there are hearings being held by the American authorities and I do not think it would be proper for the Canadian government to appear before a United States tribunal of this kind. On the other hand, I think it is most important that during the period while the hearings are being held Canadians and Americans should realize the potential risks involved and speak out and speak out clearly.

* * *

YUKON MINERALS ACT

REPRESENTATIONS THAT BILL BE WITHDRAWN AND QUARTZ MINING ACT BE RETAINED

Mr. Erik Nielsen (Yukon): I have a question for the Prime Minister based on the several letters, telegrams and briefs that have been forwarded to him from the Yukon and western Canada in connection with Bill C-187 now standing on the order paper, respecting the Yukon Minerals Act. Is the Prime Minister going to accede to the request of the Chamber of Mines which has written to

him, a copy of which I received in my mail today, that Bill C-187 be withdrawn from Parliament and that the Yukon Quartz Mining Act remain as the mining code for the Yukon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the bill is on the order paper. The government has no intention of withdrawing it. Of course, during the debate on the bill we will be glad to give consideration to and discuss any arguments put forward.

* * *

INFORMATION CANADA

REQUEST FOR STATEMENT ON PERSONNEL INCREASE IN DEPARTMENTAL AGENCIES

Mr. Barry Mather (Surrey): I wish to direct a question to the Minister without Portfolio who reports for Information Canada. Will he reply to the question I asked yesterday in his absence with regard to whether he would consider making an early statement on the situation with respect to the substantial increases in the staffs and expenses of the information sections of various government departments since the establishment of the co-ordinating agency, Information Canada?

Hon. Robert Stanbury (Minister without Portfolio): I thank the hon. member for again raising the question. I apologize for having to leave the chamber a few minutes before the question period expired yesterday. I think there will be an early opportunity to go into this whole matter when the estimates are before committees. In the meantime, I might explain that Information Canada does not have authority over the budgets of other departments. We hope to have a beneficial influence on them but, as indicated at the beginning of Information Canada's existence, it would probably take about a year after it was in full operation before these effects could be felt, particularly in view of the fact that the estimates of departments have to be formulated far in advance of the time at which the hiring is done.

Mr. Mather: Is the minister aware that the government task force on information which preceded the establishment of Information Canada criticized the size and expenses of some of these departmental information sections?

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THE CANADIAN ECONOMY

ACQUISITION OF BANFF OIL LIMITED BY AQUITAINE

Mr. Eldon M. Woolliams (Calgary North): With Your Honour's permission I will now direct the question to the Prime Minister which I put as a supplementary with regard to foreign investment. Is the Prime Minister aware either through his office or any of the ministers' offices whether there has been communication with regard to Banff Oil Limited, a Canadian company, which

is now being purchased by the Aquitaine Company of Canada which is owned by French interests?

Right Hon. P. E. Trudeau (Prime Minister): I did make a quick check, Mr. Speaker. I have no knowledge of such representations having been made to my office as yet. If they do come, I will consider them.

Mr. Woolliams: Will the Prime Minister consider this in the same way that the American purchase of Home Oil is being considered? This is a purchase by another foreign company. Will the cabinet consider this in the same way that they considered the other matter this morning?

Mr. Trudeau: As the minister indicated, Mr. Speaker, we have been considering the matter of Home Oil. No doubt we will want to include this in our consideration. It would be helpful if we had a clear statement of what the opposition suggests should be done in these cases.

Mr. Woolliams: I rise on a question of privilege. If the Prime Minister will grace this institution with his presence this evening, he will hear our position in that regard.

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NATIONAL DEFENCE

INQUIRY AS TO INTRODUCTION OF PROVINCIAL RECRUITMENT QUOTAS

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of National Defence. Earlier this week I asked the minister whether his department is giving consideration to implementing quotas, notwithstanding trade quotas or particular skill quotas that may be required, in terms of absolute numbers with regard to those taken into the armed forces from province to province.

Hon. Donald S. Macdonald (Minister of National Defence): I expect to have an answer to this tomorrow.

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HOUSING

RECONCILIATION OF DECREASE IN CMHC BUDGET AND EXPECTED INCREASE IN STARTS

Mr. John Gilbert (Broadview): My question is for the Minister without Portfolio in charge of housing. In view of the fact that the capital budget of Central Mortgage and Housing Corporation, tabled by the minister last week, indicates 16.1 per cent less federal spending on housing compared with the CMHC budget of last year, which took into account the innovative fund, and the minister expects a 15.8 per cent increase in housing starts, will he make a statement on motions indicating how he expects to increase housing starts by decreasing the capital budget for 1971?

Mr. Speaker: The hon. member's question is asked in the form of an argument. I doubt whether it is acceptable. At the same time he asked the minister whether he would make a statement on motions. If the minister can reply to this quickly, the question might be accepted in those terms.

[Mr. Woolliams.]

Hon. Robert K. Andras (Minister without Portfolio): I do not intend to make a statement on motions because I made a statement the other day when I tabled the capital budget in the House.

[*Later:*]

Mr. Robert McCleave (Halifax-East Hants): I have a supplementary question for the minister in charge of housing. Does his reply to the question of the hon. member for Broadview indicate that in the low income levels the government is prepared to grant subsidies either by way of principal or interest to help these objectives to be realized?

Mr. Andras: Mr. Speaker, I am not in a position to make such a commitment at this stage.

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URBAN AFFAIRS

INQUIRY AS TO CONVENING OF FEDERAL-PROVINCIAL MUNICIPAL CONFERENCE

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Minister without Portfolio in charge of housing with regard to urban problems. In view of the fact the Prime Minister has indicated his reluctance, because of the constitution, to meet the mayors of this country, whose problems still continue and are becoming more aggravated, has the minister abandoned any interest in a tri-level conference or setting up an urban council?

Hon. Robert K. Andras (Minister without Portfolio): No, Mr. Speaker. I believe the Prime Minister's statement indicated a confirmation of what he has said in the House on two or three occasions. If the provinces are willing to have us meet with the mayors to consult on urban problems, we will be delighted to join in such a conference. That is the thrust of our position.

Mr. Alexander: That is the answer the minister responsible for housing gave the other day when I posed the same question on this problem. Is the minister now in a position to advise the House whether he has discussed this situation with his provincial counterparts? If so, what have their answers been?

Mr. Andras: I think I made that clear in the answer I gave the hon. member a few days ago. To repeat, I have been in communication with the Ministers of Municipal Affairs about tri-level consultation. I have not received formal replies from all of them. The replies I have received so far indicate that this is a good possibility.

HOUSING

SASKATCHEWAN—ACTION TO INCREASE STARTS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Last Friday I directed a question to the minister in charge of housing. He did not hear the question and Your Honour indicated that he might take note of the question and reply at some other time. The question related to the fact that in 1969 there were 4,425 housing starts in Saskatchewan and only 993 in 1970. Will the minister give serious consideration to this situation?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, we are taking it under serious consideration. A few minutes ago I signed a letter with the details of the answer. It is now on the way to the hon. member's office.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, we know the business for this afternoon and Your Honour has fixed the business for tonight, but I wish to ask the Government House Leader what the business will be for tomorrow and the first few days of next week.

Mr. Downey: On a point of order—

Mr. Speaker: Order, please. My understanding is that we are on a point of order. We can only have one point of order at a time. The hon. member for Peace River rose on a point of order. If it was not a point of order, the question could not be asked. The question period expired a moment ago. I assume that the question was raised on this basis and the minister might be allowed to reply.

Mr. MacEachen: As indicated, today we will deal with veterans legislation. This will be followed by the crop insurance bill and the income tax bill. The program will obviously be affected by the debate this evening. Tomorrow we will begin with the air quality bill, followed by the Canada-Jamaica taxation bill, the CNR financing bill and the statutory instruments bill. On Monday we will begin with the Canada Development Corporation. In the remaining days until Thursday, we will complete the Canada Development Corporation and any other uncompleted items mentioned for the previous days. On Thursday I would propose the business of supply. In connection with Bill C-207, respecting the organization of the government of Canada, I propose to have discussions with Opposition House Leaders to determine whether an agreement can be made as to the additional time required to complete consideration of this item of public business.

Mr. McCleave: On a point of order, I intend to present a motion on the report stage of the statutory instruments bill and I think this arrangement would preclude it from being discussed tomorrow. I call attention to this because

apparently the President of the Privy Council has lost sight of the rules.

Mr. Downey: On a point of order, Mr. Speaker, I find it has become increasingly difficult to be recognized during the question period.

Some hon. Members: Oh, oh!

Mr. Downey: I notice, and have noticed for some time, that it is not a matter of what the question is; it is who asks it. It is becoming increasingly evident of late that questioners are selected on the basis of how much trouble they can cause the Chair.

Mr. Speaker: Order, please. I invite the hon. member to resume his seat. He has no right to impugn the conduct of the Chair in this way. He can only do so in one manner, and that is by a substantive motion. I will not hear anything further on this point of order. Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

[*Translation*]

PENSION ACT AND CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

PROVISION OF INCREASES IN BENEFITS

The House proceeded to the consideration of Bill C-203, to amend the Pension Act and the Civilian War Pensions and Allowances Act, as reported (with amendments) from the Standing Committee on Veterans Affairs.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs) moved:

That Bill C-203, An Act to amend the Pension Act and the Civilian War Pensions and Allowances Act be amended by

(a) adding thereto immediately after clause 34 on page 41 the following clause:

"35. The said Act is further amended by adding thereto the following Part:

PART XIII

PRISONERS OF WAR OF THE JAPANESE

76. In this Part, "prisoner of war of the Japanese" means

(a) a person described in paragraph (a) or (b) of subsection (1) of section 7, or

(b) a person described in section 17,

who was during World War II a prisoner of war of the Japanese for a period of one year or more.

77. A pension in an amount equal to the pension payable for a disability assessed at fifty per cent shall, on application; be awarded in accordance with the rates set out in Schedule A to the *Pension Act* to or in respect of a person who was a prisoner of war of the Japanese and has any assessable disability.

78. A pension shall, on application, be awarded to any person to whom a pension could be awarded under Part III of the *Pension Act*, in respect of a person who was a prisoner of war of the Japanese and who died prior to the coming into force of

this Part, in an amount equal to the amount that would be payable in respect of that person under Part III of the *Pension Act* if, at the time of his death, he had been in receipt of a pension for a disability assessed at fifty per cent." ; and

(b) renumbering clause 35 on page 41 as clause 36.

[*English*]

He said: Mr. Speaker, the purpose of this amendment is to extend to merchant seamen and to members of the Auxiliary Forces who were prisoners of war of the Japanese during World War II, the same special consideration as Hong Kong veterans are to receive under the relevant provisions of this bill.

In its present form, the bill provides that veterans who were prisoners of war of the Japanese for a year or more will be entitled to a 50 per cent disability pension if they have any assessable disability. This will also mean that at their death their widow will be entitled to a widow's pension. In addition, a widow's pension will be payable to widows of veterans who were prisoners of war of the Japanese.

The government considers that these important new benefits are entirely appropriate in view of the experiences suffered by the veterans of Hong Kong and of other far eastern operations. We are satisfied that those who spent up to four years as prisoners of the Japanese are in a unique category among veterans. The rigorous and debilitating conditions experienced by this group led to clearly identifiable disabilities not duplicated among other groups of Canadian veterans, and also led to obscure Asiatic ailments which medical experts have found almost impossible to assess.

In addition to these veterans there are a small number of persons who, as merchant seamen, or as members of the Auxiliary Forces, also became prisoners of war of the Japanese and suffered the same kind of hardship for periods of up to four years. The Standing Committee on Veterans Affairs has suggested, and the government entirely agrees, that these persons should have the same pension benefits as the Hong Kong group. The amendment will give effect to this change.

I might add one technical point. The Standing Committee suggested that this amendment be included in the portion of the bill relating to the Pension Act. However, as the exiting legislation affecting the pension rights of these persons is embodied in the Civilian War Pensions and Allowances Act, the amendment applies to the portion of the present bill relating to that act rather than to the Pension Act. The practical result, of course, is exactly the same: the effect will be that all Canadians, whether technically classified as veterans or not, who were prisoners of war of the Japanese for a year or more will be entitled to the same special benefits.

These are the explanations I have to offer in connection with this motion.

Some hon. Members: Hear, hear.

Mr. William Knowles (Norfolk-Haldimand): Thank you, Mr. Speaker. I see you had the choice of two Knowles. Thank you for recognizing me. We on this side of the House welcome the speed with which the minister has brought in this bill for third and final reading. We intend to do everything we can to see that it receives a speedy passage. We are pleased to hear the amendment which the minister has proposed.

Before I resume my seat I intend to suggest two further possible amendments which I hope the minister will see fit to accept. Before doing that, however, I should like to say a sincere word of tribute to the hon. member for York-Sunbury (Mr. MacRae) who has laboured so long in the cause of veterans rights and privileges here in the House of Commons, having served on that committee during his whole life in Parliament. I especially appreciate his efforts, because on occasions when I was unable to be present in the committee he carried the ball for the Official Opposition. I should also like to pay a word of tribute to the hon. member for Nipissing (Mr. Legault) who presided with extreme fairness, good humour and a desire to get things done as speedily as possible.

The two amendments which I should like the hon. minister to find in his heart to make, concerns clause 59(3). Perhaps they could be best explained by reading part of a letter from the War Amputations of Canada signed by Mr. Chatterton. With your permission, Mr. Speaker, I should like to put certain parts of that letter on the record.

Under the new legislation an Exceptional Incapacity Allowance may be paid to a small number of 100 per cent pensioners as compensation for special problems—including pain and suffering, and shortening of life expectancy.

Specifically, the offending proviso is contained in Clause 59(3) of the Bill, to the effect that this allowance may be decreased if pension authorities decide that the disability can be lessened by wearing a prosthesis. This could have the effect of reducing the allowance for severely-disabled veterans, should they attempt to overcome their disability by the use of artificial arms or legs.

• (3:10 p.m.)

This proviso is in direct conflict with a recommendation in the report of the Standing Committee on Veterans Affairs of June 22, 1970, which proposed that such allowances be paid as of right, and included the statement: "This right will not be affected by the pensioner's means or his degree of rehabilitation".

The committee report was concurred in by the House on June 23, 1970. Bill C-203 contains many improvements in veterans' pension legislation. It is regrettable that the bill should be marred by the inclusion of this seeming imperfection.

Then, moving on a couple of paragraphs:

We believe that, in the main, this proviso would affect some 200 double amputation cases, whose allowance could be reduced by an average $400 per annum (from $1,200 to $800). Thus, the additional cost of Bill C-203 if this proviso were deleted would be approximately $80,000 per annum. Our concern, however, is with the principle, and the amount of added benefit to the seriously-disabled pensioner is of secondary importance.

We recognize, of course, the medical principle that a good fitting prosthesis can be of considerable assistance to an amputee. We must, however, give priority to the rehabilitation aspect, and it is our experience that incentive is often needed to encourage a severely disabled person to make use of artificial limbs. Hence, our objection in this matter is based on the simple fact that it will represent an economic penalty for the disabled pensioner who attempts to overcome his handicap. It will place him in a disadvantageous position in relation to his fellow pensioner who does not make the effort to use a prosthesis. The latter group comprises a small percentage of war amputees; also it is emphasized that in some instances the

reluctance of such amputees to wear the often crude appliances is quite legitimate.

Another factor giving concern is the departure from a long-accepted principle of our pension administration, which compensates all amputees for their anatomical loss, based on the location of the amputation.

I think perhaps that is enough to make the point, and I earnestly ask the minister to give very serious consideration to including this proposal among any other amendments that he may make.

The other portion of the legislation which I feel perhaps the minister may be interested in amending is about which relates to the entitlement of a widow to the pension of a veteran with a disability of less than 45 per cent. There are many, many cases of severe hardship experienced by widows of our war veterans who perhaps had 38 per cent or 44 per cent disability, just below the line, thus eliminating the entitlement of the widow to their pension. If only this right could be given to them it would certainly alleviate the hardship and suffering that many of their widows are now forced to experience.

Without taking the matter further may I simply ask the minister whether, as I said at the beginning, he will consider adding to the amendment that he has already made these two suggestions that we in the official opposition propose.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is always a pleasure to follow my hon. friend from Norfolk-Haldimand (Mr. Knowles). Despite our being in different parties, we seem to agree on almost all subjects. There is only one subject on which we have a strong disagreement, but that is not before us today.

We are at the report stage of this bill, and I suppose we have to face the fact that, technically speaking, all that is before the House at the moment is the amendment moved by the Minister of Veterans Affairs (Mr. Dubé) which would extend the rights in the Hong Kong provision to merchant seamen and any others who were prisoners of war of the Japanese during the last four years of World War II.

We welcome the amendment that the minister has moved, and there is no question that it will receive the unanimous support of the House. As the minister pointed out, this was a recommendation that was made by the veterans affairs committee, on the motion of the hon. member for York-Sunbury (Mr. MacRae), to whom a just tribute has already been paid. We put it forward as a recommendation rather than as our own amendment to the bill because, since it involves the expenditure of money, we cannot put it in the form of an amendment. It requires the minister to assure us that the Governor General agrees, and since the minister has done so we are happy to support the amendment.

We understand, of course, that it will not affect very many people. There might be three, four or five merchant seamen or others who were not engaged in the actual services but were, nevertheless, prisoners of the Japanese during the years in question. However, even though the amendment affects 4, 5 or half a dozen people at the most, it is the right action to take and we are glad it is being taken.

Like my namesake, there are a number of other amendments that we wish the minister were making, but perhaps I will get to them when we reach third reading stage of the bill where there is a little wider latitude. I support the suggestions which have just been made by the hon. member for Norfolk-Haldimand, but I should like to take a few seconds to underline in particular our disappointment that the minister has not accepted the other recommendation that our committee made. It was a unanimous recommendation and has to do with the maximum amount of exceptional incapacity allowance.

This recommendation is on all fours with the one now being accepted in that it was the subject of a recommendation of the committee. It was also supported by the committee unanimously, and we are quite disappointed that the minister has not yet seen fit to accept it. Whereas the one he has accepted will affect only four or five people, the other recommendation would affect a few hundred people and we think it too should be accepted.

However, rather than indulge in repetition, since I plan to say something about this at the third stage and to move an appropriate amendment at that time, I shall not continue to discuss the matter now. I rise simply to say that as far as the item actually before us is concerned we support wholeheartedly the proposition that merchant seamen and others who were prisoners of war of the Japanese should get the same pension arrangements that are provided for the service personnel who were prisoners in Hong Kong.

Motion (Mr. Dubé) agreed to.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs) moved that Bill C-203, to amend the Pension Act and the Civilian War Pensions and Allowances Act, as reported (with amendments) from the Standing Committee on Veterans Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Dubé moved that the bill be read the third time and do pass.

He said: Mr. Speaker, at this stage I should like to express my appreciation and gratitude to the Standing Committee on Veterans Affairs, to its present chairman and its former chairman, for the speedy and excellent way in which they have carried out the review of this bill to amend the Pension Act. I was delighted but not surprised that the committee endorsed all of its main provisions. They have made a number of amendments to the bill itself, but none of these improvements change the principle of the bill and are quite acceptable to the government.

Pension Acts

• (3:20 p.m.)

I do not wish to speak again at length on this bill, but I do want to say it has been extremely well received by all concerned, including the House of Commons, the standing committee, veterans associations and the veterans themselves. On many occasions I have explained the subject matter, and it has been thoroughly examined and debated. The first step was the tabling of the government white paper, and this was followed by a thorough examination by the committee. There was a full discussion of the matter in this House during the second reading stage of the bill. Apart from these studies, the debates in this House and in the committee, this bill has been the focus of extensive and favourable discussion at many meetings of veterans and veterans organizations across the country. Therefore, it is not necessary for me to again explain the provisions of the bill.

I should like to underline very quickly five of the most important improvements contained in the bill. The first is, of course, the modernization and streamlining of the entire process of pension applications, and the establishment of an independent pension review board. The second is the establishment of a bureau of pensions advocates reporting directly to the minister. The third is a completely new allowance payable, as of right, to those who are exceptionally disabled and entitled to 100 per cent pensions. The fourth, which I should like to underline as being a very important improvement, is special pension provisions for Hong Kong veterans and others who were prisoners of war under the Japanese for at least one year. The fifth improvement to be brought about by the adoption of this bill, and perhaps the most important in the minds of many, is a new, broader and more generous definition of the "benefit of doubt" provision which applies to all provisions of the act.

In conclusion, I should like to state again that the veterans of Canada have hailed this measure as providing "the most extensive immprovements in half a century". I am confident that hon. members of this House will also wish to give it their warm and swift approval.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as I indicated when I was on my feet a few minutes ago, all that was before us procedurally at that point was an amendment which has now been passed and incorporated in the bill. I also indicated there were a number of things on which I wished to say a few words, and I avail myself of this third reading stage in order to do so.

I should like to join with the minister and the hon. member for Norfolk-Haldimand (Mr. Knowles), as well as others, in paying well deserved tribute to the two chairmen of the committee, the former and present, to the officials of the department who sat with us for many hours during many days, and particularly the representatives of the veterans organizations who were really a tremendous help to us in arriving at the final version of this bill.

[Mr. Dubé.]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I must also pay tribute to the members of the committee. We in this institution, and I do not think we should, never completely forget our differences. We belong to different parties and we have differing ideas. That is why we are here; to try to resolve these differences. But this is one of the committees in which the differences fade into the background, because of our desire to do a job on behalf of the people of Canada for the veterans of this nation.

I agree that this bill we are now passing is an important milestone in the field of veterans legislation and that it makes many improvements which we in this party warmly welcome. I suggest at the same time this does not deny us the right to point out that it does have some very real shortcomings. We have not reached a Utopia. We have not seen the end of complaints, grievances or disappointments of veterans who will continue to write to their Members of Parliament as well as to the Department of Veterans Affairs.

As the minister has just pointed out, one of the major things to be done is a restructuring of the handling of disability pensions. We have been over the details in this regard many times and there is no point in my going over them at this stage.

There is also a major improvement in the recasting of the "benefit of the doubt" provision. As a matter of fact, in the Standing Committee on Veterans Affairs I suggested that one or two versions of that "benefit of the doubt" provision, which have been put in the bill, should appear in 24 point type. They are extremely important and they should underline every decision made in the cases of veterans, particularly those in doubtful areas.

In all fairness I think we should at the same time issue a word of warning. There has been so much said about this new "benefit of the doubt" clause I suspect there are many veterans in this country, particularly the older ones from World War I, who feel that now is their chance to reopen their cases under this new legislation and obtain favourable decisions, although they have not been able to obtain such decisions over the past 50 years. A warning must be issued. Some of them will obtain favourable decisions, but I am sure some will be disappointed.

This bill writes into the act a new clause 1A which I read into the record on a previous occasion and will not repeat. It calls for a liberal construction of this legislation in order that the recognized obligation of the people and the government of Canada to veterans will be implemented. Nevertheless, there are still clauses in this bill which will result in decisions in borderline cases being made against veterans.

I rise on this occasion to say that the committee in my view did make one improvement in this respect. At page 10 of the bill, as originally introduced, there was a clause which provided that the presumption of physical fitness at the time of enlistment might be rebutted by medical evidence that the disability must have existed prior to enlistment. We had a long discussion in the committee about that wording. Some of us felt that even though we

might have been indulging in semantics, the phrase "something must have existed" was a dangerous one. Well, we did get that changed to a wording which now states that the presumption of physical fitness on enlistment cannot be rebutted quite that easily but can still be rebutted—and I now quote the bill as it presently reads—by medical evidence that establishes beyond a reasonable doubt that the disability or disabling condition existed prior to enlistment. I think that is a little better than the previous wording "must have existed". However, it still leaves an opening which in some cases may be resolved against the veteran. I hope this will not happen but I think we would be misleading the veterans of Canada if we gave all those who have been disappointed in the past the impression that their cases will now be resolved more favourably. Nevertheless, I hope it will turn out that by improving the benefit of doubt clause we have made the position better for our veterans.

• (3:30 p.m.)

Like the hon. member for Norfolk-Haldimand I feel we did not go far enough in the clause having to do with the exceptional incapacity allowance when we improved the wording about those who are provided with a prosthesis. I think the case that is still being made to us by the War Amputations of Canada, namely that such an allowance should not be affected by whether or not one is fitted with a prosthesis, is a good case. I am sorry that in the committee we were unable to go all the way. Again, it is one of the good things about committee treatment of a bill of this kind that we did get an improvement. I dare to hope that the sympathy and concern of the Department of Veterans Affairs and the Canadian Pension Commission will be such that if it should turn out in a year or two that that clause needs to be amended and improved the government will bring in such a proposal.

I want to say again, as I have said on previous occasions, how much I regret the unwillingness of the government to go along with the committee's support for recommendation 106 in the Woods report. That recommendation had to do with the position of widows of veterans where the veteran at his death had a pension of less than 48 per cent. As the law stands, there is no pension as of right for such widows. The Woods committee recommended that in such cases there be a proportionate pension as a matter of right. The Standing Committee on Veterans Affairs, when dealing with the Woods report and the white paper, recommended that the Woods report recommendation be implemented. Even so, the government did not include it in the bill. In the committee when we were studying this bill we tried again and were unable to get majority support at that time as we had previously, and so it is not in the bill. I believe this is unfortunate.

Speaking of widows, another improvement we made to the bill in the standing committee had to do with a group known as widowed mothers. They are part of the group known as dependant parents. We discovered that a provision had found its way into the bill—I had a word in my mind which I think perhaps I should not use—that would permit the dependant parents' pension to be taken away. As it now stands, once a widowed mother receives a dependant parent's pension she may keep it, no matter what other earnings she might have after she has gone on the pension. A provision found its way into the bill that would make it possible to cut off a parent's pension in such a case. Members of the committee will remember the very interesting time we had on that, but in the end we were able to get a unanimous decision that such a withdrawal of a right should not be there and so the bill was worded in such a way that the act would remain as it is.

So, Mr. Speaker, these are the various things with which we dealt in the committee. We had a few votes in which we actually divided. Generally, we reached either a kind of compromise or unanimity and, on the whole, I submit we have done fairly well. There is one item to which I referred earlier, and which I shall leave to the last because I intend to make it the subject of an amendment. Before I come to that, may I say I am becoming a little apprehensive about when and how we will deal with the companion operation to this, namely the 10 per cent increase in disability pensions and the 15 per cent increase in war veterans allowances. Even though the CBC does not know it, I know it is not part of this bill. I was awakened this morning with the news that today we were to debate a bill to provide for a 10 per cent increase in pensions and a 15 per cent increase in allowances on April 1. That is not in this bill. We are all aware of that. But I ask, when and how is that to be done. We were told it would be done by an estimate or estimates. The estimates for 1971-72 were tabled yesterday and I do not find any such provisions in those estimates.

When I asked the President of the Treasury Board about this he said he would have to take the question as notice. There are one or two items in the estimates in which there is reference to authority for the Treasury Board to increase or decrease certain grants, and when I see things like that I become a little anxious. My fear is we may be jockeyed out of our right to debate these increases or that they may be put off until we are so close to April we will be told if we debate them at all we will delay their coming into effect. We do not do that in respect of veterans matters. I believe we should have the right to discuss these things and, in particular, any changes the government is making by way of regulations in respect of war veterans allowances. Many veterans who receive these allowances are disturbed now because they have received from Mr. Donald Thompson, the new chairman of that board, a notice to the effect that they must apply for the guaranteed income supplement. First, they had a letter advising them it was in their interest to do so. Then, they had a second letter saying the matter had been reviewed and they were advised to accept it because if they did not they would be considered as having received it in any event.

Mr. Francis: Mr. Speaker,—

Mr. Knowles (Winnipeg North Centre): If my friend is rising on a point of order, perhaps I might be allowed to finish, and save his time and mine. I realize that war veterans allowances are not before us in this bill, but I submit this is a related matter. My plea to the minister is

simply that he look at the problem I questioned him about two days ago, and look into the matter of our having a discussion of war veterans allowances before changes are made in the regulations that would embarrass or humiliate our veterans. If the minister does not find a way for us to discuss this matter some of us will.

I believe that pretty well covers the things I want to say at this point, other than the matter which I am making the subject of an amendment. There is one other thing, however. I realize the force of what the minister said about the Hong Kong prisoners having suffered particular hardships and difficulties as a result of which they developed an identifiable condition which seemed to apply to all of them, thus making possible the special treatment they are now being accorded by this bill. It seems to me, however, that the National Prisoners of War Association and the Dieppe Prisoners of War Association have a case in asking for equal or at least comparable treatment. The situation of this group was discussed at great length in the committee both times, when we were on the white paper and again when we were on the bill. The government's position—by that I mean the position of the officials because there were Liberal members in the committee who took the same view we did, but they were not able to prevail—was repeatedly that there is an identifiable condition that attaches to those who were in Hong Kong. We contend that there are also identifiable conditions that apply to prisoners of war under other conditions. I am sorry that in this bill, which is so good and in which we are doing so much, we are not dealing with that group.

• (3:40 p.m.)

As I said, one hopes that now that we have had this very thorough review of veterans legislation it will not be a case of putting it aside for five, ten or 20 years. Let us come back to it in a year or two if, as a result of the workings of this new setup and of the application of the new principles, it becomes obvious to all of us that further improvements should be made. As I said, that is my submission but for one point. I think we have done a pretty good job; I think things will be better, but there are still a number of shortcomings, so many in fact that our mail from disappointed veterans and veterans' widows who feel that we have not yet carried out the obligation of the government of Canada as set out in the proposed new section 1-A of the bill will not be lessened.

I come to my last point which has to do with the maximum amount of the exceptional incapacity allowance. Those who have already spoken today have again indicated what this is, namely a provision to the effect that a 100 per cent pensioner, that is a veteran who is receiving a 100 per cent pension, may under certain conditions qualify for this exceptional incapacity allowance. There is much detail in it that I will not go into at this point, but I have one particular point in mind, namely, the maximum possible amount of that allowance. The Woods report recommended a formula that made possible certain combinations, the result of which could be a maximum allowance of $7,950 a year. Without getting into an argument as to whether or not that is too much—I do not think anything is too much in that area—that was the figure in the Woods report with which we started, namely, $7,950 a year.

When we received the government's white paper and took it to the Standing Committee on Veterans Affairs, the proposed maximum was $1,200. You can realize that that struck us as an awful comedown from $7,950. The veterans organizations which appeared before us briefed us effectively through their representatives. They dealt with it in the working parties that were set up between their representives and the officials, and we came up with a compromise of $3,500. I emphasize the point that when that figure was arrived at, it was supported by the committee unanimously. Some of us thought we had gone too far down, but in the spirit of the committee we agreed to it, and so recommended to Parliament when the hon. member for Ottawa West (Mr. Francis), as chairman of that committee, filed our report.

I think that was good committee work, and we were happy about the results of those negotiations. But then we got Bill C-203, and the government offered $2,400 instead. The line taken by the minister was that the government had doubled its previous offer. That does not mean much. If the government had offered $1 in the first place and made it $2 later, that would be doubling the first offer. Two thousand four hundred dollars may be twice $1,200, but it is a lot less than the Woods recommendation of $7,950. I do not think it was fair to the members of the Standing Committee on Veterans Affairs, who were unanimous on this point, to do this shortchanging and to put the amount at only $2,400.

An hon. Member: What good is the committee system?

Mr. Knowles (Winnipeg North Centre): Yes, that is a good question, but it is still true that the committee did a lot of good work. On this point, the committee showed the value of the committee system because the committee which just reported the bill a couple of days ago again recommended by unanimous vote that the amount be $3,500, but the minister today showed no sign of accepting that recommendation. Every member of the Standing Committee on Veterans Affairs voted twice for the maximum figure to be $3,500, and I think it is an insult to the members of that committee for the government, in the first place, to put $2,400 in the bill, and secondly, for the minister to say nothing in respect of our second recommendation on this point. I think all of us on that committee should ask the government to reconsider this matter. I could not move such an amendment at the report stage. I though of doing this even though I knew it was out of order, but I did not follow that course. It involves the expenditure of money so a private member cannot move it. However, I can move that the bill be not now read a third time but that it be referred back to the standing committee for the purpose of reconsidering that clause, and that is what I shall move in a moment.

I do not want anyone to stand up and say that this is delaying the progress of the bill. It will take a matter of minutes, an hour at the most, if the government is willing to agree to it. If the government is not willing to agree, then of course that is the end of it. I hope that the

members of the Veterans Affairs Committee from all parties will speak and vote as members of that committee, rather than as partisans, on this amendment. As a committee we have spoken twice. We have said that we want the maximum to be $3,500, not $2,400, and I think we should say so again. My motion does not have the figure in it. I am taking no risk of its being out of order. But I am also leaving no doubt as to what it means. My amendment asks for a reconsideration of the proposed section 59(1) on page 25 of the bill, and if you look at the proposed section 59(1) you will see the following words in line 26 "and not more than $2,400 per annum". That is what I want reconsidered because I believe that figure should be $3,500. That is what the vote on my amendment will be, a vote for or against $3,500.

For all the differences and the arguments, and all the times that we say there are still shortcomings, my total impression about the work of the Standing Committee on Veterans Affairs on the white paper and on the bill is good. It has been enjoyable, and I think we have done a good job. Let us not leave this bit of unhappiness resulting from the fact our committee has been snubbed twice. Let the House of Commons say that we want that clause reconsidered. We want the government to say that it is now willing to put the figure at $3,500.

Therefore, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That Bill C-203 be not now read a third time, but that it be referred to the Standing Committee on Veterans Affairs for the purpose of reconsidering the proposed section 59 (1) on page 25 of the said bill.

• (3:50 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this is my only appearance in the debate on this bill, other than a brief intervention at the second reading stage with regard to a couple of points which I would now like to make again. The principal point that I wish to make does not require any amendment to the bill. It was unfortunate, and I complained privately to the then chairman of the Veterans Affairs Committee, that the committee failed to deal with a very important segment of veterans affairs, namely, the after care of prisoners of war. I am not talking about Hong Kong prisoners of war—

Mr. Speaker: Order, please. May I interrupt the hon. member for just a moment. As he will have noted there is an amendment before the House at the present time. I appreciate that he, being an expert on the rules of the House, will take that into account. I was hoping that we would not get into a general discussion on third reading until we disposed of the amendment. I thought I should bring this aspect of our proceedings to the attention of the hon. member for Edmonton West (Mr. Lambert) and of other hon. members who may want to take part in the debate. I think that for the time being we should, as much as possible, limit contributions to the amendment before the House. At the same time, I do not want to be difficult. This is a bill on which there seems to be general agreement in the House, and I do not want to complicate matters by being too technical. However, there is an amendment before the House and, as all hon. members know, the rule of relevancy requires that we discuss the amendment which is before the House, and not the clause or the bill which it seeks to amend.

Mr. Lambert (Edmonton West): Mr. Speaker, I am sorry that I may have transgressed a bit, according to your way of thinking. I was going to deal with the particular point of the amendment and, in doing so, I was setting forth the priorities of the points that I wish to cover at third reading stage. Otherwise, I would only have to come back after we dispose of the amendment, try to get Your Honour's eye, and run the risk of being challenged that I was attempting to speak for a second time on third reading. It was with that in mind that I wished to outline my main points. If Your Honour says that we should limit our contributions to the amendment I will do that, but I hope I will get the floor again to continue my speech.

Mr. Speaker: The hon. member knows as well as I do that there will be no difficulty about that. We have a debate now on the amendment. When it is completed, all hon. members who have not spoken up to this point in the debate can then speak on third reading, including the hon. member for Edmonton West.

Mr. Lambert (Edmonton West): All right. It is a question of priorities, and this particular point that has been raised by the hon. member for Winnipeg North Centre (Mr. Knowles) is one I would like to support. It seems to me that in disregarding this particular point the government has indicated it closes its mind to any amendments to legislation, once the legislation has been presented. I find that once a bill has been printed not even the forces of God will change some ministerial or administrative minds.

There is also the fact that provision has been made in the estimates, that the estimates book has been printed, and that is the end of it. It would be just too much trouble for the government to accept any amendment, besides which the government might have to come back with an amended recommendation. But it seems to me that this sort of administrative convenience should not stand in the way of accomplishing the end that is sought by hon. members. I am sure that the hon. member for Winnipeg North Centre did not say anything incorrect and that the committee, with a majority of government members on it, repeated its previous recommendation. But I am surprised that the minister did not take that recommendation back to his colleagues or, if he did, that they did not recognize the justice of the case.

There is no question but that at any point the figures are arbitrary. They are arbitrary at $1,200 per annum. They are arbitrary at $2,400, or $3,500. There has to be a degree of choice determined, but surely the minister and the administration must recognize that they are not omniscient in matters of this kind. They should realize that if members here are to do the kind of work that is expected of them, and they have done it not once but twice, then an explanation must be given. There should

not be a mere dismissal, given with the back of the administration's hand. I have not heard any reason given why the figure should not be changed.

Perhaps I am a little subjective in this matter. I have not had responsibility as the chairman of our party committee with regard to veterans affairs, but I did have responsibility for a time as minister for the Department of Veterans Affairs, and perhaps as a veteran I appreciate the matter a little differently. It seems to me that having sensed the feeling of the House, and having twice been given the committee's recommendations, the government should have acceded to it at report stage.

Was the committee merely going through an exercise in futility? In the present situation it seems it was merely told, "Go play with your own marbles." I am disappointed. We have not been given the requisite explanation. I can only repeat the hope of the hon. member for Winnipeg North Centre that members of the Veterans Affairs Committee will vote in this House the same way as they voted in the committee, and that hon. members generally will support the amendment, giving the government a third opportunity to correct a lapse in its thinking.

Mr. Ross Whicher (Bruce): Mr. Speaker, I listened with a great deal of interest to the speeches of the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Edmonton West (Mr. Lambert). I say with all humility possible, as a veteran who had long experience in the last war, that while I appreciate what they said, nevertheless, for reasons I will attempt to give to the House, I feel the government has been fair in the figures it has used so far as the exceptional incapacity allowance is concerned.

• (4:00 p.m.)

When one refers to a subject such as this, Mr. Speaker, really one is putting his political neck out because he is, in effect, speaking against motherhood. When one thinks of the great sacrifices the people who will be eligible for this pension made for their king and country, and indeed for the citizens of the free world, then certainly an argument could be advanced that no amount is too much to give to these unfortunate people. Quite frankly, Mr. Speaker, may I say my experience during the war has led me to believe that many who lost their lives really did not give quite as much as some of the unfortunate people who today are totally incapacitated in our hospitals or in their private homes. When I say totally incapacitated, Mr. Speaker, I mean exactly that.

On the other hand, I appreciate very much what the Committee of Veterans Affairs has done over the past couple of years. I happen to be a member of that committee and have followed everything that happened there with a great deal of interest. Along with the other members who have spoken, I wish to give my very best and sincere thanks to the officers of the department, to various veterans associations that appeared before us, to the great work that was done by our chairman and, indeed, by all of the members of that committee.

But today, Mr. Speaker, perhaps I am in rather a fortunate position. As a result of other commitments on other committees of which I am a member, I was unable to attend either of the Veterans Affairs Committee meetings which recommended finally that a figure of $3,500 be used instead of the $2,400 that is now in Bill C-203. I must say that, while I had every sympathy for these people and, for some time, I felt there was simply not enough money in Canada to reimburse them for what they have given for the freedom of this great nation, nevertheless I must say that had I been present at the committee the other day I would have voted against the amendment suggested by the committee that the figure be now changed to $3,500. I would do so for the following reasons.

I have already stated that I do not think we could pay too much but, on the other hand, I feel that they should get all that is required for a decent living in Canada. If they need housing, these veterans should get it. If they need attention, they should get it. Certainly, paraplegics, as an example, should be able to own an automobile so that they can go for a drive. They should have furniture that is appropriate for the way they want to live. They should be able to buy things like coloured television sets and be able to have some of the extras in life that mean so much to them. They are not able to enjoy many things in life as much as we do.

But how do we arrive at a fair figure, Mr. Speaker? The hon. member for Winnipeg North Centre (Mr. Knowles) has suggested that in turning down the figure of $3,500 the government has snubbed the Veterans Affairs Committee.

Mr. Gilbert: Right.

Mr. Whicher: Now, Mr. Speaker, may I say this? If we accept the hon. member's statement as he gave it and agree that the committee was actually snubbed, then I can only say that the government has complimented the committee at least 50 times by accepting the recommendations of the committee.

Some hon. Members: Hear, hear!

Mr. Whicher: They have complimented the committee in numerous ways and on numerous occasions. As a matter of fact, the government accepted practically all the recommendations that the committee worked so hard to form, except in one or two instances. In the case of the exception about which we are now talking, instead of using a top figure of $3,500 the government decided that $2,400 was the correct figure. However, under the committee system of the House of Commons, of which the Veterans Affairs Committee is a part, we, as committee members, recommend to the government. We do not tell the government anything, we simply recommend. The government must accept responsibility for raising the money from the taxpayers of Canada to pay these pensions. This responsibility includes collecting taxes from all of the other veterans of Canada, many of whom have given a great deal also for their country.

Quite frankly, Mr. Speaker, I thought the statement by the hon. member for Winnipeg North Centre, if I heard him correctly, that he didn't care how high the figure

went, was quite irresponsible. I, as the member for the riding of Bruce, care how high these figures go because I always remember that no matter how much we pay out in the form of benefits we must collect the same amount from taxpayers of this country. Consequently, what I am interested in is a fair and realistic figure for these unfortunate people who have given their all for their country.

May I remind you, Mr. Speaker, as has been pointed out today by the two previous members, that the government's white paper indicated that the maximum amount of this new allowance might be $1,200 a year. This was the original figure given to the committee. I agree that the Woods report had suggested a much higher figure but the standing committee, following its review of the white paper, suggested that this maximum be raised to $3,500 a year. In response to the committee's recommendation, the government doubled the maximum figure published in the white paper and set it at $2,400 in the present bill.

This new allowance should be considered in its full financial context, rather than in isolation. As has been pointed out in evidence before the standing committee, after April 1, a married pensioner with no children, who receives the maximum allowance for incapacity and the maximum attendants allowance, will receive, first, a pension of $4,464 a year; second, an attendants allowance of $3,000 per year; third, an exceptional incapacity allowance of $2,400 per year, making a total of $9,864 a year apart from clothing allowance. Since all these payments are exempt from income tax, as they certainly should be, they are the equivalent of a gross income, if taxable, under the present income tax laws, of $13,600. These amounts will apply to all of the most severe cases. I should perhaps mention that while in theory the attendants allowance is paid in recognition of extra costs, in fact most veterans concerned are attended by members of their family, usually the wife, so that the allowance is really an added part of the family resources like the pension itself.

The pension, the attendants allowance and the exceptional incapacity allowance are all payable for life. There are also pension survivor benefits. Therefore, no provision need be made from them for superannuation or retirement income. Furthermore, apart from these various payments, if the veteran is over 65 years of age, he is entitled also to receive another $3,600 in benefits under the Old Age Security Act. Therefore, in some cases, some veterans would receive a possible maximum income that is the equivalent of over $16,600 a year. May I say perhaps that is not enough. However, neither is a million dollars enough. We have to draw the line somewhere. Some time we have to stop people from standing up in the House of Commons and in other legislatures in Canada and saying "give me, give me, give me" and in the next breath "cut taxes, cut taxes, cut taxes". It simply cannot be done.

• (4:10 p.m.)

Mr. Peters: That's not true. Talk to the minister responsible for housing. He says you can cut the amount of money and still give more.

Mr. Deputy Speaker: Order, please.

Mr. Whicher: I have pointed out that no maximum figure can be pinpointed as being correct. The new maximum of $2,400 per year represents an important extra benefit to veterans. I have no doubt it will be warmly welcomed. As a member of the Standing Committee on Veterans Affairs, an active member for years in the Royal Canadian Legion, vice president of one branch, a former zone commander of one of the great zones in the province of Ontario—

An hon. Member: Do you think you are the only one?

Mr. Whicher: No.

Mr. Lambert (Edmonton West): Then, don't boast about it.

Mr. Whicher: I am not boasting about it. I give that as background information to explain why I have no hesitation in supporting the legislation as far as this point is concerned. I have no hesitation in voting against the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) because I believe the government and the minister have been as fair as possible in very difficult circumstances.

Some hon. Members: Hear, hear!

Mr. John Gilbert (Broadview): Mr. Speaker, I rise to support the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles). The more I hear the hon. member for Winnipeg North Centre speak, the more I realize what a great man he is. We call him "Mr. Parliament" and "Mr. Pension". Today, we saw him exercise prophetic powers. When the hon. member for Ottawa West (Mr. Francis) attempted to rise in his seat, he anticipated his question and, by his prophetic powers, he answered it. This indicates the strength, experience and compassion that the hon. member possesses.

Mr. Nowlan: Knowles for leader.

Mr. Gilbert: After listening to the remarks of the last speaker with regard to the amendment, I am more convinced that members from both sides of the House should support it.

Some hon. Members: Hear, hear!

Mr. Gilbert: The members of the Standing Committee on Veterans Affairs have had experience in World War I, World War II and other theatres. When I think of the wide knowledge that they possess, the letters and requests they receive from veterans and the attention they give to them, I am fully convinced that they are experts in this field. I am a member of the Standing Committee on Justice and Legal Affairs. I thought we possessed a certain specialized knowledge and nonpartisanship. After hearing the speeches that were made today, I am fully convinced that the members of the Standing Committee on Veterans Affairs far exceed the members of the Standing Committee on Justice and Legal Affairs, perhaps not from the standpoint of quality and calibre, but certainly in terms of experience and

passion. This is one of the main elements that should permeate the thinking of the members.

I have had experience with the government's inattention and callousness with regard to the problems of pensioners. I recall, when we were dealing with the old age security legislation prior to Christmas, the generous attitude which the government displayed with regard to increasing the old age security pension from $79.58 to $80, a net increase of 42 cents. This is what scares me. This is why I am convinced that we should accept the recommendation of the members of the Standing Committee on Veterans Affairs to increase the amount to $3,500, even though the Woods report stated the amount should be $7,950.

I am not persuaded by the argument made by the hon. member for Bruce (Mr. Whicher) that we have to look for the money. Surely, the money we allocate for the payment of pensions to war veterans should be a priority in government spending. I thought the hon. member for Bruce would have been persuaded by the unanimous decision of the members of the committee that the amount should be increased to $3,500. If the member was not present when the committee made this decision, it is unfortunate. I underline the fact that the members of the Liberal party voted unanimously in favour of the recommendation. I like to think that the other members acted out of compassion for the war veterans.

I have watched the Minister of Veterans Affairs (Mr. Dubé) since his appointment to the cabinet. I think he is very fair minded. Any letters I have sent to the minister on behalf of pensioners have received the kindest attention, and for that I thank him. However, I have noticed that the minister exercises a certain cautiousness and diffidence. I am sure the minister is capable of exercising courage and boldness. Since his appointment as Minister of Veterans Affairs, he has been aware of the problems of veterans. I ask him to exercise his experience, sympathy, knowledge, courage and boldness by accepting the recommendation of the committee that the amount be increased to $3,500.

I am not impressed by a government which slices things in half. If the need is $1,200, I am not interested in any suggestion to increase it to $2,400. That is not the issue. The issue is the actual needs of the veterans. The Woods Committee stated that $7,950 was necessary to take care of the needs of veterans. The committee reached a compromise and set the figure at $3,500. The government should not slice measures in half the way that it does. The Parliamentary Secretary to the Minister of National Health and Welfare is in the chamber. He supported the legislation which increased the old age security payment by 42 cents. In view of all the letters he has received in this regard, I am sure if he had to do it over again he would be far more generous and compassionate.

In conclusion, I ask the minister, in whom I have confidence and respect, instead of showing cautiousness and diffidence, to show a spirit of courage and initiative by going over the top as some of these mighty men did during the war. Surely, he should join them and go over the top in this important matter.

• (4:20 p.m.)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to join my colleagues, especially the member for Winnipeg North Centre (Mr. Knowles), who moved a logical and clear amendment to the effect that all prisoners of war are not treated on an equal footing.

I am pleased to support this amendment on behalf of our veterans who suffered dreadful atrocities and who would enjoy life more if they were in better health. I feel the government should do something for those men who fought for our country. Their living conditions have been brought to the attention of the committee and Parliament and it has been thought advisable to treat these people at least on an equal footing with everyone else, or according to their merit.

I strongly support this amendment. Furthermore, I should like to see the pension increased to $3,500 instead of $2,400 as it is at present, as the hon. member for Winnipeg North Centre has rightly suggested.

The hon. member has given all possible details as far as these veterans are concerned, and especially the Hong Kong prisoners. As a matter of fact, this question has been discussed for a long time. Veterans find the time long. They feel the increases in their pensions are not quick in coming, because the cost of living goes up for them as for everyone else.

Later, other suggestions will be made concerning the Dieppe veterans. I have heard a great deal of comment. I am told that the Dieppe survivors should be treated the same way as those of Hong Kong. This is not the purpose of today's discussion, but I know that the Dieppe survivors have also been ill-treated in many ways. I know it was total war there as it was in Hong Kong. I therefore ask the minister to reconsider the problem and reexamine all the proposals made by the Standing Committee on Veterans Affairs as regards Dieppe survivors.

Once again, I am pleased to support the amendment moved by the hon. member for Winnipeg North Centre concerning veterans and hope that the latter will at least be granted what they are entitled to—a little more justice.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I just wish to comment on the remarks which were made by the hon. member for Bruce (Mr. Whicher), remarks which have also been made on a number of occasions in committee. He always gives the impression that the country is not prepared to meet the kind of cost involved here. While I am aware in his part of the country that view is general, I do not think it is one which is accepted by Canadians as a whole.

I believe most members of this House have told someone, since their election, that we in Canada have one of the best veterans charters of any country in the world, particularly as it affects veterans of the first and second

world wars. I, myself, believe this to be true, and I do not mind having to pay for this distinction. This feeling is shared, I would say, by almost everyone in the country. The one area of expenditure which the public is not reluctant to support is expenditure on veterans affairs.

In my opinion the question which was raised did not involve the $7,900, as recommended by the Woods Committee for 100 per cent disability, but was really three and a half times the total recommended in the Woods Committee Report. At that time, if I remember correctly, the hon. member for Bruce was using figures of $21,000 and intimating that the Canadian public could not possibly pay $21,000 to a veteran. We have certainly gone a long way, in the recommendations of the committee, from the recommendations contained in the Woods committee report which indicated we might pay a limited number of very badly disabled veterans an additional sum amounting to three an a half times the 100 per cent disability payment. We have gone a long way from that. The Woods committee report recommendation was calculated at $7,950. Then, there was the white paper recommendation of $1,200, and now the committee has unanimously agreed to $3,500.

I do not think anyone who has ever visited a veterans hospital would begrudge this sum. I am sure the hon. member for Bruce has visited hospitals and that he was as saddened as I and other members of the committee have been at the degree of disablement of some of the veterans there. Their loss is incalculable and there is no way in which the nation can compensate these people for the disabilities they have incurred. The Woods committee did not suggest we should provide them with luxury living. Indeed, luxury living is impossible for them. Money will not buy what they have lost. Of course, there is no way in which they can take back the contribution which they made and, this being so, we are under an obligation to them. I suggest there are very few people in this country who will disagree—I have in mind quadruple amputees and people in that category. I have seen them. I spent some time in the Christie Street Hospital during the last war. There was a young chap there who had been a victim of the first world war. Young? How could you tell? He was three feet long, he had no arms or legs and lived in a basket for many years. I cannot imagine the general public objecting to such men being given any kind of compensation which could be provided to them, as long as they could use it. Nobody has suggested we should establish a bank account for posterity. But we have maintained that all the assistance possible should be given in such cases, and I do not think anyone in the country would object to that.

I realize the minister has been faced with a difficult economic decision, not only in this instance but in many other instances. But I believe the committee gained a special insight into these questions during its examination of the witnesses appearing before it. Perhaps the minister ought to sit with these committees; maybe he should have to attend. I know the argument about ministers not becoming involved. I recall a difficulty which arose in another committee when a minister of the Crown sat as an adviser. But we were brought face to face with many problems about which the minister may have heard only indirectly. In view of the many problems that the committee found, it made a recommendation that $3,500 should be the sum to be paid to those severely handicapped, in addition to the other benefits. I hope that even at this late stage the minister will accept the amendment. The number of people affected is not very large.

• (4:30 p.m.)

I do not want the hon. member for Bruce (Mr. Whicher) to leave the impression that he was talking for very many people in Canada when he used the argument of economy. Since he raised the economic argument, we must not forget that the number of people affected is going to diminish as the years pass. The pensions we are paying our veterans today may look in 20 years' time like the early $20 old age pension looks to the old age pensioners today who are trying to get along on $112. The pension must be increased, and it was for this reason, I think, that the Woods report applied the multiplier principle rather than setting a certain amount. On behalf of the veterans I know and the veterans organizations to which I belong, I do not want the impression left that the general public is unwilling to make a reasonable contribution to the after care of these veterans and the elimination of their financial worries on the ground that it costs too much. I do not believe that the people of this country think in that way. Certainly, the members of the committee do not and I am sure the minister does not.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I did not intend to speak on this amendment because I felt that every member of the House would support it wholeheartedly. While I think it should be brought to a vote as soon as possible, the remarks made by the hon. member for Bruce (Mr. Whicher) leave me no alternative but to let the House know that the hon. member for Bruce certainly does not speak for me as a member of the veterans affairs committee.

The hon. member for Bruce would leave the House with the impression that he speaks for all Canadians; that he is protecting the interests of the taxpayers. Let me remind him that the Woods report originally recommended a maximum pension for these exceptionally incapacitated veterans of $7,950 per annum. When the Woods report first came before the committee it was pulled apart and discussed clause by clause. In the first report of the veterans affairs committee submitted in June of 1970 an upper limit of $3,500 was suggested, which was a compromise between the $7,950 recommended by the Woods report and the $1,200, or whatever it was, suggested by the white paper. The recommendation made in the report was an unanimous one.

The hon. member for Bruce told the House that he was not present when the committee drafted its last report. Perhaps he was not present when the report was drafted in June 1970, I do not know, though he did tell us that he attended the meetings of the committee very regularly. But may I point out to him that this recommendation of $3,500 was made by the standing committee not once but

twice, and as I say the report was unanimous. The argument that has been raised that this proposal will cost a great deal of money and be a burden on the taxpayers is a lot of nonsense. We are talking here about a very few individuals, the completely incapacitated veterans. I do not know how many there are, some 10 or 20, but at any rate the number is very small. So, all the talk about the taxpayers being burdened is nonsense.

This proposal does not represent much in terms of money but it does represent the considered opinion of the committee on veterans affairs as well as the considered opinion of the Woods committee, which actually recommended a greater amount. It also represents the submissions of the national veterans organizations of Canada. Incidentally, I should like to emphasize that in the submission of this particular body to the veterans affairs committee a guesstimate was given—only a guesstimate, but it is close—that the additional cost of implementing the recommendation of the standing committee to increase the maximum from $2,400 to $3,500 would possibly be $500,000 a year. So, how can any member of this House stand in his place and make an impassioned plea for patriotism, as did the hon. member, and at the same time leave the inference that we are talking here of a cost of millions of dollars, when in reality the cost is about half a million dollars?

I say this amendment is a reasoned one. It supports the unanimous recommendation of a standing committee of this House, a recommendation made not once but twice. As far as I am concerned, members on both sides of the House have no alternative but to vote for the amendment.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, as a member of the veterans affairs committee and as one who not only helped prepare the first report but also the second one, I did think for a couple of days or so that I had put myself into a box here. This proposal was, in fact, an unanimous recommendation of the veterans affairs committee. In going over the bill as amended and in considering the many amendments the minister was prepared to accept as the hon. member for Bruce (Mr. Whicher) has stated, it seemed to me that this was one instance when the minister was apprised of the position of the veterans affairs committee, namely that consideration should be given to raising the pension not to $2,400 but to $3,500.

Although committees make recommendations, somewhere along the line a final decision has to be made. In this case the minister has decided, in his wisdom, that we have tried to put a little too much icing on the cake. I think the veterans are entitled to the icing and this was why I voted in committee in favour of this particular recommendation. Subsequent to the vote in the committee, I did a little bit of research. I feel, as a result, that the hon. member for Moncton (Mr. Thomas) is somewhat mistaken in his guesstimate. I believe that we are looking at an expenditure of something in the neighbourhood of an additional three-quarters of a million dollars if we bring the pension up to $3,500.

Mr. Thomas (Moncton): It is still peanuts.

[Mr. Thomas (Moncton).]

Mr. Cullen: It is all right for members of the opposition to cry "peanuts". Of course, it is peanuts. As the minister said before the committee, not once but twice, there is no way on a quantitative basis that these men can be compensated, and I agree. But somewhere along the line the government has the responsibility of making a decision, and it decided to double the original offer. I feel that the committee did a great job in a non-partisan way when it made its recommendations to the minister; but the decision has been made that the recommendation is not acceptable.

This would be a completely new benefit paid to the veterans. I agree with hon. members opposite that there is no way to compensate these veterans. Although it may be peanuts to them, it is $750,000 to the taxpayers. I think the hon. member for Bruce put it correctly when he said it was difficult to speak in the fashion he did because it sounded as though he were against what the veterans were asking. I have had to do a lot of thinking on this particular question, and I take second place to no man on the veterans affairs committee. The only meetings of the committee I have ever missed were either as the result of sickness or because I was on some other committee. I have been a regular attender and went all through the discussion of the bill in the committee on more than one occasion. I have examined the recommendations made by the Woods committee, all 148 of them, many of which the government accepted. What I am afraid of is that we might lose the benefit of this wonderful piece of legislation simply because we are nit-picking over whether the amount should be $2,400 or $3,500. The $7,950 to me, as to the Canadian taxpayers, does not represent nit-picking. I have no hesitancy in voting against this amendment because this bill should come before the House for third reading in order that these benefits can be provided to the veterans as soon as possible.

• (4:40 p.m.)

Mr. Saltsman: Mr. Speaker, I wonder whether the hon. member would accept a question in view of the fact he has some time left? My question relates to the point he made of the fact that the minister accepted many of the recommendations of veterans and the Woods committee reports. While this statement is very true, I should like to point out the significance of the situation of the disabled we are referring to at the moment. During the committee meetings, everyone hung tight and tough on this matter. The Woods committee and the veterans organizations felt this offer was very good. Everybody had to give up something, and we are not quarreling with that, but the feeling of almost everyone was that we should give an extra amount to the totally disabled. Would the hon. member not agree with that suggestion?

Mr. Cullen: Mr. Speaker, I think the situation was that we examined all the circumstances and decided something extra should be given. The minister was prepared to double the amount the government had originally offered. The veterans affairs organizations felt the amount should be $3,500 and a saw-off at $2,400 was

agreed upon. I have no hesitancy in voting against this particular amendment because I feel the government has indicated clearly to the committee it has gone as far as it is prepared to go. I feel we have done our job. In the final analysis, a decision had to be made. That decision has been made, and I support the government on this splendid piece of legislation which veterans organizations have called the best piece of legislation to come forward in 50 years.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit one further question? Is it not a fact that it was after the minister had made the decision to set the amount at $2,400 by putting it in the bill that the committee made the second request, unanimously, that it be raised to $3,500?

Mr. Cullen: Mr. Speaker, I tried to make that clear when I referred to all the hearings, not just the first one, at which the recommendation was made. I believe I said that at the second meeting of the committee the minister suggested there was no way this recommendation could be accepted. The government offered to double its original offer. We did not go as far as we might have gone, and had we done so perhaps the government might have agreed to something higher than the $2,400. In any event, we were successful in getting the government to at least double the amount to which it originally agreed. If that is not good committee work, I do not know what it is.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment to the main motion.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the amendment will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

• (5:00 p.m.)

Division

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Burton
Cadieu
Coates
Comeau
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Forrestall
Gauthier
Gilbert
Gleave
Godin
Harding
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Latulippe
Lundrigan
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Matte
Mazankowski
Monteith
Moore
Muir
Murta
Nielsen
Noble
Nowlan
Nystrom
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Saltsman
Schumacher
Scott
Simpson
Skoberg
Southam
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Woolliams—68.

NAYS

Messrs:

Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Buchanan
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Longueuil)
Cullen
Danson
Davis
Deachman
Douglas (Assiniboia)
Drury
Dubé
Dupras
Émard
Forest
Forget
Francis
Gendron
Gillespie
Goyer
Gray
Greene
Groos
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Macdonald (Rosedale)
MacEachen
McBride
McNulty
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Pepin
Perrault
Portelance
Pringle

Pension Acts

Messrs.

Richard
Richardson
Roberts
Rochon
Rock
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whicher
Whiting—97.

• (5:10 p.m.)

Mr. Speaker: I declare the amendment lost. It being five o'clock the House will now proceed to the consideration of private members' business.

Mr. Jerome: Mr. Speaker, I am happy to advise you that after some consultation with members opposite there does appear to be a disposition to extending unanimous consent to proceed with this measure until six o'clock.

Mr. Baldwin: Mr. Speaker, that is quite correct. In our desire to advance good legislation we are prepared to agree.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this was our proposal. We are glad it has been accepted.

Mr. Speaker: The hon. member for Edmonton West.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, to resume the remarks from which I had been gently turned aside by Your Honour in order that we might deal exclusively with the amendment, I was speaking about what I had regretfully thought was a lapse in the thinking of the committee. I will agree it does not appear as such in the bill, but I am referring to the request that has been made on a number of occasions by myself and some of my colleagues on this side of the House, and also by veterans' organizations representing prisoners of war in the European theatre or, should I say, those not included in the Hong Kong and Far East category. I think I share the views of the majority of those prisoners, since I was one of them, and their request is, not for the same consideration as was given to the Hong Kong prisoners, but for recognition of the fact that they should have been, and now all should be, medically examined by treatment services of the Canadian Pension Commission in order to establish their present state of health.

Some people will say there is nothing wrong with these former prisoners, and they are not going to do it. All I say to them is that they have their heads buried deep in the sand, and I say this also to the minister. They do not wish to appear concerned about the state of health of those men. I will admit that a number of them are pensionable, have appeared before the Pension Commission, and that there is a quite competent record as to their state of health. This is so, but I will tell the minister and the officials of the department that there are hundreds of prisoners of war whom I know who have not yet, and who cannot because they have no entitlement, appeared before the Pension Commission although they are not well.

• (5:20 p.m.)

After 25 years since release, I know some whose condition has markedly deteriorated in the past five years. There is something funny afoot if one can use that term. There is something rather funny because it is not. There is something disquieting with regard to the health of a great number of prisoners of war. Some prisoners of war were in good camps, some in bad camps. Some conditions were poor, some not as poor. I was in one where the conditions were among the best. Some of my mutual colleagues and relatives of prisoners of war who are in the same camp as I was are saying "he is a changed man". I appear at gatherings of my regimental association. I see a lot of these men. I can tell that.

Over the years we have missed a real opportunity from a medical point of view by not assessing these men after World War II and reassessing them later to see what, if any, changes were brought about. It was only by examining the Hong Kong prisoners of war that we have reached the stage we are at with them today. I remember members on both sides of the House making representations concerning them at least four years ago. When nothing was being done about the situation. We have reached this stage with regard to the Hong Kong veterans because an identifiable condition has been found. How do we know there is not an identifiable condition among all prisoners of war? It was not all "The Great Escape," "The Trojan Horse" or some of the other conditions shown in films that have glamorized prisoner of war life.

What if hon. members had to go on long marches with a diet of frozen sugar beets for weeks on end? What long-range effect does this have on the ultimate health of a man. What about ill-fitting boots, cold and persistent chilblains? After the age of 50 there may be an earlier onset of arthritis as a result of persistent chilblains suffered during winters spent in Germany, Poland or Italy. No one seems to care about this. But we must be reasonable. In addition to legislation, there must be administrative action and a decision now to start going through the records to find these men. There are not all that many Canadians who were in prisoner of war camps in World War II. I dare say there were more in the airforce than in the army and even less in the navy. The bulk of those in the army formed the Dieppe prisoner of war organization. They have made representations. There is an airforce prisoner of war association in Toronto. I dare say they have also made representations. However, there is a vast body of these people who have never seen or said anything to anyone. It is these men that we should go after.

If the fortunes of political warfare had been such that I had remained as the minister, it was my intention to do something about this. However, this was quite some time—

An hon. Member: Five years.

Mr. Lambert (Edmonton West): Let's not hear five years. I had a very short period in office. Prior to that I was minding my business, learning the business of this House and occupying the Chair. I say to the hon. member who interrupted from the seat of his trousers that this would have been done. A great deal was done at that time. I can assure the hon. member that I know what the state of Veterans Affairs was in 1956 and when we took it over in 1957. Until 1957 and 1958 there was not even a Standing Committee on Veterans Affairs to look after these matters. A good deal of progress has been made. The presentation of the present bill does not make a second coming of Christ. There was a great deal done to improve the situation with regard to veterans administration. That is because there was a degree of unanimity on both sides of the House. It did not matter who was responsible for the administration. The attitude was to move ahead. I encourage the government and the minister to move ahead and take the necessary action.

The prisoners of war will not come crawling on their hands and knees to ask for treatment. It is the members of this House who must encourage the minister to take this positive step. All the minister has to do is to get together with his deputy minister and the head of treatment services to get such a program organized. It would not take much. A lot of people would have to be traced. If there are overpayments of pensions and allowances, it certainly does not take long to trace the recipients. It would not take long to find the prisoners of war who are entitled to benefits. Let's make the effort. In two or three months it will be 26 years since I came out of a prisoner of war camp. I hope I have indicated the road the minister should follow. I want to be reasonable, but let's have some action.

My second point has already been referred to by the hon. member for Norfolk-Haldimand (Mr. Knowles) and the hon. member for Winnipeg North Centre (Mr. Knowles). Widows of pensioners who had received 48 per cent or less pensions should receive a proportionate pension. What is the justification in a widow receiving a proportion of the 60 per cent pension her husband received before he died, yet if the pensioner received a 45 per cent pension, there is no entitlement whatsoever. I cannot see this arbitrary distinction. I have failed to see it for a long time.

• (5:30 p.m.)

We on this side have advocated for a long time that these changes be made. There is always a starting point for changes in the Pension Act. The fact that the need for certain changes was discovered within the last five years does not derogate from the validity of the proposals. Otherwise one could say that all the recommendations made by the Legion in its annual briefs were of less and less validity unless they started back in 1920. I know the cost involved here would have been somewhat less than $10 million a year; I have heard figures ranging anywhere from $5 million to $10 million a year. But it seems to me this would have been the right thing to have done and I am sorry it has not been done.

I suppose we can keep trying. But it takes a giant can-opener to open an act merely to insert one new provision. All I can say is that maybe the people affected will have to wait three or four years unless, happily, there is a change in the administration next year and then we can guarantee it within a couple of years. But failing that, I cannot see how this particular feature will come forward again.

I shall not talk about war veterans allowances because they are not dealt with in the bill. I note, though, that the government is keen about bringing in omnibus bills; there is one before us now to which the House is giving considerable attention. Had amendments to the War Veterans Allowance Act been brought down at the same time as this bill—it is a related measure—we could have dealt with some of the problems raised by other hon. members in the opposition and, in particular, with one which has not been referred to so far today though I have drawn attention to it on previous occasions. I refer to the desirability of eliminating the requirement that one year's residence in Canada is needed to qualify for veterans allowance.

Again this past summer I saw a number of people in the United Kingdom who have lived there since World War I or World War II. They should be entitled to war veterans allowance, but there is no way in which they can return to Canada to put in a year's residence. This is nonsensical. The government will not agree to change this situation, for some undemonstrable reason except alleged difficulty with some veterans in the United States. The fact is that veterans in the United States, if they were qualified there, would get better treatment than they do here because their level of return would be higher. This is what I have been told by people in the know—Canadian veterans living abroad may be denied any claim to war veterans allowance.

We do look after, as we should, members of allied forces who are now in Canada. After all, they fought along with us. But to our veterans who happen to be living in France, Belgium, Holland or Britain we say: You have not come back here for a year and therefore you cannot qualify for war veterans allowance. I say, shame.

Mr. Dubé: I say you are not on the subject.

Mr. Lambert (Edmonton West): I fully realize I am reiterating what should have been done by bringing in a companion bill. Certainly this could have been done by bringing in amendments to the War Veterans Allowance Act.

Mr. Dubé: That is not the bill before us.

Mr. Lambert (Edmonton West): I fully realize that, and I am not going to be as legalistic as you are about it. It is odd we should hear this type of objection put to us now, when in other circumstances we are asked to debate omnibus bills dealing with subjects which are not related in any way. I find this double standard difficult to accept. A lot of good has been done. I have been critical as to omissions so far, but a lot of good has been done by this bill.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): I would be churlish if I did not acknowledge that there has been some progress, having participated in a limited way in the deliberations of the committee and noted the good will shown by committee members from both sides of the House. But there is always room from improvement and I have been suggesting directions in which improvements could be made. I hope that in due course the bill before us will receive the approval of Parliament.

Mr. Carl Legault (Nipissing): Mr. Speaker, I am very happy to participate briefly in the debate which will make a reality this legislation which is the result of an extensive study into the question of proper recognition of our veterans, in particular those who have suffered injuries in various conflicts throughout the world. I say "extensive" because this study is one which goes back to the decision to appoint the Woods committee, to the receipt of a report from that committee and, following that, consideration of the report by the Veterans Affairs Committee and by the government. We have to realize that the processes of democracy are slow. Every member of the committee, as well as representatives of the numerous veterans organizations, was concerned about the time which elapsed before ensuring proper compensation to those who have for so many years endured the consequences of afflictions directly related to their participation in the defence of our country, of our convictions, of our freedom and of our democratic system.

[*Translation*]

Mr. Speaker, I believe all hon. members intend to speed up the passing of the legislation so that it can be incorporated into the statutes and thus bring assistance to our veterans as soon as possible.

The committee made a thorough study of the Woods report, and of the white paper. All veterans' organizations that wanted to and asked to express their opinions had the opportunity to do so. Those viewpoints are certainly reflected in the bill before us. Although it is not perfect, most veterans feel that it gives them a better deal and improves their situation quite a bit.

At this point, I would like to congratulate the members of organizations who came and made representations for the sake of their fellow citizens.

I would like to congratulate also the members of the committee for their conscientious participation in the proceedings and for their concern about the way our war disabled are treated.

[*English*]

The bill before us represents the results of our assessment of this thorough study. I believe this is one example of a proper democratic way of doing things. I believe, too, that our committee system, organized as it is today, is revealing itself as being a vital instrument in our parliamentary procedure. The major question which was being asked following the presentation of the white paper was whether the government would abide by certain recommendations of the committee. The terms of the bill before us show that most of the opinions expressed by the committee have been accepted. The necessary amendments have now been brought down by the minister and I should like to take this opportunity to congratulate him for his well-disposed attitude and the co-operation he has given the committee. Once this legislation is passed I believe our country will have the best possible machinery for recognizing and satisfying the needs of veterans.

[*Translation*]

Mr. Speaker, if we compare Canada's treatment of its veterans with that of other countries, we can say that on the whole it is the best that can exist today. There is certainly room for improvement, and I think the committee is to pursue its efforts in order to correct some anomalies.

Officials and commissioners will be very busy in the next few months, for a multitude of applications will be brought to their attention. My fear is that individual cases may be examined in a hasty manner. Nevertheless, this problem should be corrected without undue delay.

The members of the committee were presented with a brief from the National Prisoners of War Association. I think this bill is going to protect these veterans in a very special way. The fact that prisoners of war of the Japanese are to receive compensation of not less than 50 per cent is a kind of protection and safeguard for other prisoners of war who suffered from extreme conditions.

• (5:40 p.m.)

The new interpretation and application of the act and the practice of granting the benefit of the doubt will remove many difficulties for these valiant men who suffer as a result of hardships endured during their incarceration.

[*English*]

I do not think that at this time it is appropriate to enumerate the statistics and examples given, which were well covered during the committee's deliberations. I know every member wants this legislation passed immediately.

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I have not entered the debate so far because I am anxious that this bill be passed today. However, we have a few moments left and I presume that when I finish my remarks that will be the end of the debate on the bill and the end of the business before six o'clock.

I should like to associate myself with the remarks of the previous speaker, the chairman of the committee. The chairman of the committee, the previous chairman and I have had a very happy relationship in the work we did on the bill, which is the culmination of 18 months' work. This was preceded by almost 3½ years' work on the part of the Woods committee and a study by the government, the translation and all the other steps that have been taken.

Although I am interested in all the provisions of the bill, there are two or three parts that interest me especially. One of them concerns the Hong Kong veterans. I have been deeply interested in this group ever since I

saw them embark for Hong Kong. I saw them when they returned. Many of my own kinfolk were among them and I saw the condition in which they returned to this country. I also observed the conditions under which they have tried to make their way through civilian life since that time. If we have done nothing else for these men during the last few months, we have given them a better deal.

As has been said many times, there are many good features in this bill. However, we are disappointed at the omission of some provisions and we expressed this disapproval in the committee as part of the democratic process. But as I say, generally speaking the committee was a good one and gave us the opportunity to talk things over. I enjoyed my work because in committee you could let your hair down. I could not, but at least others could. Although, as I say, certain things are lacking, if the minister is open-minded and members are conscientious, the bill can be amended if we find further amendments are required. With that, I close by saying how happy I am to see this bill through the House of Commons.

Motion agreed to and bill read the third time and passed.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. McCleave: Mr. Speaker, before we call it six o'clock may I raise a question of privilege? I made a remark earlier today with respect to the business of the House for tomorrow, but I did so under a misunderstanding of the rules of the House. Therefore, I should like to bare my breast and make my confession before the day is out.

Mr. Olson: Mr. Speaker, Bill C-185 has had an exhaustive debate in this House as well as in committee. I understand that it is very uncontentious and could be passed through the report stage at this time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, those who wish to take part in the third reading debate are not in a position to do so just now. I think the understanding was that we gave up private members' hour for the purpose of completing Bill C-203. This having been done, in the same spirit I think we should agree that it is six o'clock.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

At 5.45 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY

Mr. Speaker: Pursuant to Standing Order 26, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), moves:

That this house do now adjourn.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this afternoon I moved a motion under Standing Order 26 in respect of a matter that I thought was of specific importance and required urgent public consideration. It had to do with the report in the *Globe and Mail* of this morning to the effect that the ownership, interest and control of Home Oil Company Limited of Calgary will pass into United States' hands within the next few days. This statement was buttressed by the knowledge that a letter of intent between the Home Oil Company Limited of Calgary and Ashland Oil Incorporated of Kentucky has already been filed in the United States.

It is true that the Minister of Energy, Mines and Resources (Mr. Greene) told the House yesterday that no deal had been completed. However, Mr. Speaker, I think hon. members will recognize the fact that there is little value in this House becoming alarmed about a situation after a deal has been completed. If we are going to concern ourselves with the takeover of one of the last remaining Canadian-owned oil companies it seems to me this House must concern itself now, before the deal is completed.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I sometimes think that most Canadians are not fully aware of how vital and important the oil and gas industry is to the economy of Canada. It is estimated that over the next ten years the demand for oil in the world will increase by 50 per cent and that the demand for natural gas will increase by 100 per cent. The recent increase in the price of oil from the Middle East and the announcement this morning that Venezuela is raising the price of its oil by 25 per cent, effective next month, indicates there will be an increasing demand for Canadian oil.

Last year the Canadian Petroleum Association estimated that the potential for liquid petroleum in Canada is in the neighbourhood of 140 billion barrels. Carl Nickle, a former member of this House, now the editor of an oil magazine, estimates that the potential value of this oil and gas, if sold at present prices, is in the neighbourhood of $1,118 billion. The estimate for the 1970s is that the gross revenue from gas and oil will amount to $28 billion.

Many who are familiar with world oil geology are predicting that the Canadian Arctic will become another Middle East and that Canada over the next quarter of a century will become one of the major suppliers of oil and gas in the world. It seems to me that this House must be concerned about how we use this vast treasure house and dispose of this great reservoir of oil to the benefit of the people of Canada not only of this generation but of succeeding generations.

• (8:10 p.m.)

This is not a renewable resource; it is a resource which once disposed of will be gone for all time. We are

merely the trustees of this vast accumulation of wealth which nature has placed under our soil.

The Canadian Parliament must decide whether or not in the development and sale of these vast quantities of oil and gas Canadians will get a piece of the action. They have not been getting a piece of the action. Approximately 85 per cent of the oil and gas well production in this country is in the hands of foreign corporations, and 99 per cent of the oil refining is in the hands of foreign corporations.

We will never get a piece of the action unless there are developed in Canada several major oil producing companies. We have a number of independent producers and small companies, but we have never been able to develop a major company. One of the few companies which has any hope of becoming a major producer of oil is the Home Oil Company of Calgary. That is why it is so important we consider this matter now. I am convinced that if the Home Oil Company of Calgary is sold to a foreign company we will lose virtually our last chance as Canadians to have a piece of the action in the development of the oil industry of Canada.

It has been known for some time that the Ashland Oil Company of Kentucky has been seeking to buy out Canadian companies. Last year it bought up Grid Oil and recently has been dickering with Mr. R. A. Brown, president of Home Oil. Mr. Brown owns over 50 per cent of the shares of Cygnus, which in turn owns over 10 per cent of the voting shares of Home Oil and also a part of the non-voting shares of Home Oil. Although he has only 10 per cent of the voting shares, Mr. Brown has effective control of the company.

Home Oil is important, not only because it is one of the few remaining Canadian-owned oil companies and is large enough that it could become a major producer but also because last year it bought $52 million of the equity stock of Richfield Oil, a United States company which has been doing exploration work on the north shore of Alaska. This was an attempt by a Canadian company to get into the northern oil picture.

Home Oil also owns 10 per cent, and a year ago owned 15½ per cent, of Trans-Canada Pipe Lines. It sold half a million shares last year and now has over 800,000 shares, or 10 per cent of the equity of Trans-Canada Pipe Lines, which makes it the second largest shareholder in Trans-Canada Pipe Lines. Most people interested in the oil industry have known that these negotiations have been going on for some time, but it has been difficult to obtain definite information. A week or two ago I asked the Minister of Energy, Mines and Resources if he could tell the House whether a virtual agreement had been signed between Home Oil and Ashland Oil Incorporated.

The minister's reply what that there was no such thing as a virtual agreement, that there either was or was not an agreement. The minister may be technically correct. The fact is at that time a letter of intent had been signed dated January 18, 1971. I think the minister knew about that letter of intent. I believe it would have been better had he told the House frankly that there was to his knowledge a letter of intent. I see no reason, since the information was to become public anyway when filed in the United States, why he could not have taken the House into his confidence.

What is the effect of the letter of intent? The effect of the letter of intent is that while technically for a while the ownership of Home Oil will stay in Canadian hands, effective control of Home Oil will be transferred to Ashland Oil Incorporated of Kentucky. Mr. Brown will sell some of his shares in Cygnus for the sum of $10 million and the balance of his shares will be sold for not less than $8 per share or at a figure above that to be determined, the sale to take place within three months after his death or not later than within ten years. This means that by May 1, 1972, the control of Home Oil to all intents and purposes will have passed from Canadian hands into the hands of a United States company.

The purpose in asking for this debate is to urge the government to make a clearcut statement about what it proposes to do in face of this situation. It is not enough to give us some soothing syrup, to tell us the deal is not complete, that the minister desires to see this company remain under Canadian control and Canadian ownership, and that he has the best will in the world. I am not questioning the minister's desire or his intention. We want to know tonight what action the government proposes to take to ensure that one of the last remaining Canadian-owned and controlled oil companies will stay in the hands of Canadians, and that the one company that has some hope of becoming a major oil producer will remain Canadian so that Canadians will at least receive part of the benefit of the oil industry in their own country.

There are some things the government can do. First of all, the government can do what it did last May when it intervened to prevent Denison Mines being sold, because the Prime Minister (Mr. Trudeau) said that Canadian ownership in the uranium industry should not fall below 40 per cent. We all supported him in that step. There is not much use arguing, as did the Secretary of State for External Affairs (Mr. Sharp) the other day, that there is a difference between oil and uranium and that uranium has been declared to be a work for the general advantage of Canada.

The uranium industry is relatively small compared with the oil industry. Even if Denison Mines had been sold there would still have been uranium mines owned by Canadians and we would have had one of the largest uranium mines owned by the people of Canada through a Crown corporation, Eldorado Mining Company. We would not have been sold out completely. But here is a case in respect of the oil industry where we will be pushed entirely out of the picture if the government does not take action.

I say the situation is sufficiently serious that the government should take the same action it took last May and show some muscle and courage. It should say to Home Oil that this sale will not go through. It is significant that in the letter of intent, as reported in the press, there is a statement to the effect that this arrangement may not be completed because the government of Canada may intervene. The Home Oil Company and Ashland Oil Incorporated know the government can intervene. We on this

side of the House know the government can intervene. We want to know now whether the government knows it can intervene and whether it proposes to do so.

The second thing the government can do is bankroll a consortium of small companies controlled by Canadians to buy the interest in Home Oil. I understand there are at least two companies, one based in Montreal and the other in Toronto, which have shown an interest. I believe there are other companies which have shown an interest. There are one or two independent petroleum producers with the technical know-how; they may lack the capital. If they had the capital it would be possible for them to buy out effective control of Home Oil in the same manner that Ashland is proposing to do. It would not require a large sum of money—$15 million within the next ten years.

• (8:20 p.m.)

We have in Canada the Industrial Development Bank. Surely this is what it was set up for. I was in the House when the Industrial Development Bank Act was passed in 1944. At that time we were told by the Minister of Finance that this was exactly the kind of thing the Industrial Development Bank would do, namely, help finance the development of Canadian industries. Here is an excellent opportunity to use the Industrial Development Bank to supply the necessary capital resources with which to buy Home Oil, if it wants to sell, and enable Canadian companies to take over this operation.

The third option open to the government is to have Panarctic Oils, in which the federal government has a 45 per cent equity, buy out Home Oil. It would work admirably with their operations, because while they are interested in the Arctic they also need to spread their risks and engage in oil exploration in various parts of this continent. This would be an excellent opportunity for Panarctic, if the government so decides. If the government does not want to do any of these things, it could set up a Crown corporation to buy out Home Oil and later turn it over to a public Canada Development Corporation, because that corporation will be in the oil business since it will be given the responsibility of handling Panarctic Oils. So the government can step into this picture if it wishes.

The government is not without alternatives. It can do any one of the four things I have suggested; I am not wedded to any one of these propositions. If the Minister of Energy, Mines and Resources has a better idea, we will be glad to hear it. The one thing we do not want to hear is a lot of excuses as to why the government is not going to do anything.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): We want the government to tell the people of Canada, through the Minister of Energy, Mines and Resources, that the government is not only desirous of seeing the Home Oil Company of Calgary remain in Canadian hands but that they propose to take the steps necessary to ensure that it will remain in Canadian hands. That is what we want from the government. I hope the minister will not be satisfied merely to tell us that discussions are going on, that he has the best intentions in the world, that he has expressed his views to the parties concerned and that he has used all the powers of moral suasion that he has. The government has the responsibility to do much more than that. It has the responsibility to use the powers that it has to ensure that the vast reservoirs of oil under the surface of this country are developed for the benefit of the Canadian people.

The government has a responsibility to ensure that we do not become like the Middle East and Venezuela in which the whole oil industry is owned by foreign corporations and they merely sit by and watch the wealth being sucked out from under their feet. The government and this Parliament have a responsibility to see that the generations who will live here after we are gone have an opportunity to enjoy the benefits of the treasures which nature has placed in our soil, and that this birthright is not frittered away for a mess of pottage merely because the government is too gutless to act.

Some hon. Members: Hear, hear!

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the leader of the NDP has emphasized the importance of the petroleum and natural gas industry and its by-products not only to western Canada but to Canada generally, and has summarized what this wealth means not only to this generation but to future generations. I do not want to confine my remarks to Home Oil alone. Since 1963 we have had a Liberal government which has talked about foreign ownership since the days of Walter Gordon. The government has continued to talk about it in every election since then, but has done nothing about it and has not set up guidelines or priorities. This might be due to the Prime Minister's (Mr. Trudeau) pragmatism to which reference was made during the last election.

In speaking to this motion I would point out that I come from Calgary where there has been a serious endeavour by the people of Alberta, as well as by the government of that province, to encourage the development of our resources. As a consequence, Alberta has been classified as one of the "have" provinces. In fact, before the wheat crisis brought on by the government—I still think it was brought on by the government, because Canada has dropped to sixth place as an exporting nation from first place which we held previously—Saskatchewan was one of the "have" provinces. It takes, of course, large pools of risk capital to develop any resource industry, particularly the petroleum industry. The development of these resources has been good for the country and good for the province.

Tonight our attention has been directed to the possible sale of the controlling interest in one of the last major Canadian oil companies. It seems to me that what we need is a new national development policy to make certain that the pools of capital that exist in Canada are available for resource development. The necessary climate should be established by a reasonable, responsible and energetic government, with initiative, to make certain that pools of capital which exist in Canada are made available for resource development.

Possible Takeover of Home Oil Company

Mr. Brown and his directors are to be congratulated for their efforts in creating up to now such a viable corporate force in Canada. This is a company owned by Canadians, developing resources for Canadians, developing trade for Canadians and producing a product which adds to the growth of our gross national product and to the employment of thousands of Canadians, not only in Alberta but elsewhere, particularly in view of the industrial side-effects when you consider its by-products and the manufactured goods that are purchased from central Canada by the oil industry, which brings wealth to this part of the country.

• (8:30 p.m.)

This is a government of crisis. It moves only when something comes up that makes it move. That is why the Prime Minister has been getting so irritated lately and has been losing his cool: it is because he has crisis after crisis in his cabinet and in this House. When we ask questions seeking information, what does he do? I leave that question to you, Mr. Speaker.

Whatever answer is worked out to solve this problem, it must be a formula that is fair to the shareholders and fair to the company. But there have been no guidelines to date. What have we been doing since 1963 in this field? What has the Liberal government been doing since then? While it tergiversated, procrastinated and vacillated in this as in other fields, an uncertain atmosphere has been developing in the business community everywhere. I believe that Mr. Arnold Hart, the chairman and chief executive officer of the Bank of Montreal, put the matter in its proper light when he was dealing with this uncertainty. He said:

> One of the most unsettling aspects of the past year's discussion of the white paper on tax reform was the strong impression it created that officials in Ottawa are convinced that governments cannot perform their functions without taking an increasing share of the national output in taxes. This impression was not dispelled by a recent speech by the Minister of Finance in which he strongly implied that a reduction in taxes to promote economic growth could not be contemplated if it meant that existing government programs would have to be curtailed.
>
> Is it not fair to ask how changing needs and priorities can ever be accommodated if existing programs cannot be considered candidates for curtailment? And is it not especially important in present circumstances to have a hard look at these programs to see whether resources cannot be more effectively used to assist in the creation of employment opportunities in those regions of the country where slack economic growth is the source of much discontent and social friction?

My first point is that the white paper has scared away Canadian investors. It has frightened away those who were ready to invest in risk ventures. Mr. Bryce, the economic adviser to the Prime Minister, who never pays any attention to this place, said when I examined him in committee that of course the white paper on taxation would scare off investors but that Canadians were ready to pay. Yes, Mr. Speaker, they are paying tonight: they are paying through the nose because one of the last Canadian oil companies is being forced into the hands of foreign investors because of the fear being created by the white paper on taxation.

[Mr. Woolliams.]

Canadian companies are placed at a disadvantage when competing with American and other foreign organizations in the exploration, development and indeed in the finding of crude petroleum and natural gas and all the by-products that go with them. The white paper on taxation has done nothing to correct this disadvantage. We should at this time create tax incentives and advantages for Canadians and Canadian corporations, not only to put them on an equal footing with American companies but to give them an advantage over foreign companies. This would encourage the Canadian investor to invest in these industries. The sins of the government are now coming home to roost. This is due to the fear created by the white paper on taxation.

The government should come out with a clear cut statement as to what taxes will be implemented, whether there will be special advantages in respect of depletion allowances, what the capital gains tax will be, if any, how it will affect the Canadian investor, and indeed how it will affect Canadian corporations developing resources here as well as abroad. Here was one of the problems. Home Oil went into Alaska to drill wells, and came up with dry holes. Supposing it spent a $6 million on drilling there, although I do not have the books of the company on my desk? If it is bought out by a foreign company, the foreign company can write off those losses, whereas if Canadian Pacific Investments or any other Canadian corporation were to buy Home Oil it would not have that privilege. Surely there must be provision for equal competition; but what has happened here is unequal competition which is working against all Canadians.

There are many other tax advantages which foreign corporations have when operating in Canada and Canadian corporations do not enjoy. This is particularly true in the resources field. If such a corporation buys shares in another company, the interest on the money it borrows to buy those shares is tax deductible. I could go on ad infinitum. Yet the Minister of Finance (Mr. Benson) talks about the assets of the white paper on tax alien and his puppets around him support the statements he makes not only in this House but in committee.

The *Globe and Mail* of today's date carries a story about the long negotiations concerning the purchase of controlling interest in Home Oil by Ashland. It states that according to sources in Calgary and Ottawa, last-ditch efforts to save the company from foreign control have failed. Why did they fail, Mr. Speaker? They failed, not through lack of capital in Canada but because of conditions imposed by the government which drove Mr. Brown, Home Oil president, into a foreign field to get the necessary capital. What were those conditions? Why have those conditions been kept secret from members of the opposition?

My leader, myself, other members of this party and, indeed, members of the NDP have been asking questions, seeking information, but we have not been getting it. All we get is evasive answers, dishonest statements, ending up with a fictitious fuddle-duddle. That is what the government is doing—fuddling and duddling around. I want to know those conditions. If the Canadian government—

and this is my charge—has imposed conditions which in fact and in law have been more helpful to a foreign takeover than to a Canadian takeover, then its efforts have been negative and not positive.

What about this letter of intent? Yesterday, as recorded at page 3480 of *Hansard*, I asked this question of the Minister of Energy, Mines and Resources:

> May I direct a supplementary question to the minister, Mr. Speaker. It relates to the answer he gave to the Leader of the Opposition in which he said that he had no knowledge of the sale. Does the minister have knowledge of a letter dated January 18?

I was the first to put my finger on that letter.

> It is a letter of intent relating to the parties and in it his name is mentioned in connection with the sale in question.

I repeat that the name Mr. Greene appears in that letter of intent, and in one of the paragraphs of the letter the impression was left that he had imposed certain conditions. Mr. Speaker, there are responsible businessmen on both sides of the matter. If the minister's name is in the letter, how could he stand in his place yesterday and say he did not know anything about the letter? Then I nailed him for the third time and asked:

> Is the minister aware of the letter?
>
> Mr. GREENE: I am aware that there was a written document—

This is evasion. You cannot get information from the government. There is a letter of intent and the minister knows there is a letter of intent. The minister knows a lot about this sale. I have come to the conclusion, after listening to the minister during question period and on television, hearing the wishy-washy answers he gives in this House, that he is like a ballet dancer dancing around and you do not where he is going to land next. He goes one moment to Denver and makes a great, strong nationalist speech to woo the young people across this nation, then comes back and repudiates everything he said. That is the kind of minister who is looking after resource development in Canada.

An hon. Member: Another Jimmy Gardiner.

Mr. Woolliams: Jimmy Gardiner couldn't hold a candle to these boys. First, the minister said he knew nothing about a letter of intent and he sidestepped like a ballet dancer. If a regulatory body in the United States has knowledge of this letter, and if this government felt they had to get their hands into the deal, why tell an untruth about it? Did the government tell Mr. Brown to keep the letter secret? Did the government tell Ashland that they had to keep the letter secret? They are like boys who paddle on a lake, become so involved in what they are doing that they fall in beyond their depth, and because they can't swim they drown. Mr. Speaker, this government is drowning. The government got themselves involved when they prevented Canadian investors matching foreign offers. That explains their silence and, indeed, their deceit.

• (8:40 p.m.)

It is suggested that it was the imposition of silence on Mr. Brown and Ashland that caused the trouble. Mr. Brown now says that he is in trouble with the securities commission of the United States as a result of the letter of intent, because the government and the minister got their hands ino the deal but refused to act. I hold in my hand the transcript of a great interview held on the program "Question Period" on February 8. The Minister of Energy, Mines and Resources was interviewed by Peter Stursberg, Don Newman and Douglas Fisher. The host was Max Keeping. One of the interviewers asked this question:

> But in the case of Denison Mines a year ago you moved in to prohibit it and now you're backing it up with legislation. Why not with the oil industry?

I do not know where the minister stands on this question. Surely, if the industry is entitled to know anything it is entitled to know where the government stands on the constitutional question, in order that investor confidence may be maintained. As the Leader of the New Democratic Party (Mr. Douglas) so ably said, the government talks about uranium as coming under the Constitution because it is a public work for the good of Canada. If we can do this with respect to one industry, why cannot we do it with respect to oil? What is the government's position on the constitutional law in this respect? On this question I would have thought the government would have sought advice from the law officers of the Crown and that it would have been forewarned about its powers in this regard. The present uncertainty is killing investment. Canadians cannot obtain dollars for the purchasing of the controlling interest in Home Oil or any other company that is up for sale in this land.

Some hon. Members: Hear, hear!

Mr. Woolliams: In this interview the minister gave the following answer to a question:

> Q: Isn't the sale imminent though? Is not the sale of Home Oil imminent?
>
> A: Well, the discussions have been going on for some time and I think it's imminent but I am confident that the continuing good will of the parties, buyers and seller, that we can work out a method whereby this company will continue to be Canadian without having to resort to—

This is the question I should like to ask: Is this fair? For how long will American buyers continue to come up here and make offers if every time offers are made with respect to companies such as Home Oil we say, "We want a Canadian company to buy this company at that price." The Americans are pretty tough businessmen and they are not used to being treated as donkeys in this country. If they make an offer, they want to know that they have the right to have it accepted. I say that one must show good faith.

In this country there ought to be priorities and guidelines with respect to tax incentives. If we had such priorities and guidelines, Canadians would voluntarily move into the field. Canadians ought to be given encouragement to enter the field. Our chartered banks should loosen their policies and lend money to Canadians so that our people can develop our resources and our enterprises can participate in development equally with the Ameri-

cans. After all, Americans borrow Canadian dollars; therefore, why cannot Canadians borrow Canadian dollars?

At least in the banking business the people concerned know where they stand. They know that so many shares must be held by Canadians and how many may be held by foreign investors. Unless we change our tax structure and taxation attitudes we shall kill investor confidence; we shall kill our investment business, kill our resources business and kill development. You will kill the possibility of Canadians owning their own corporations.

I could read more from the interview to which I referred. The minister finally said, "You know, we must create jobs for Canadians." We know we must create jobs. Yet the government's white paper on taxation has scared the development industry to such an extent that people are being laid off. That is what is happening.

Mr. Ricard: The government is creating unemployment.

Mr. Woolliams: The minister claims that present policies will benefit the little man. Are they good for the little man when he finds himself without work? I think he would rather pay taxes and keep his job. The effect of the white paper on tax reform has been to create unemployment. The white paper has taken away the little man's job and put him on the street. It has prevented our university graduates from obtaining jobs in the oil industry or other resource industries.

Look at the uneven contest that is going on. What is this uneven contest, Mr. Speaker? In such an uneven contest there is no way in which Canadians could compete in Gulf Oil ownership of British American Oil. Actually, they bought out British American Oil. In the case of the Shell Oil takeover of Canadian Oils, other factors were at work. Shell was a big company in oil production but it lacked a marketing facility in Canada. Canadian Oils had such a facility. It was possible, because of internal company requirements, for Shell Oil to offer $15 more a share for Canadian Oils' stock than Canadians could afford to pay for it.

An hon. member: Shame.

Mr. Woolliams: For over 20 years Canadians from Alberta have been lobbying Canada for equal tax treatment with the Americans. Several years ago, after all the available prospecting oil land in Alberta had long since been gobbled up, Ottawa made a grudging concession in connection with land acquisition costs.

Mr. Speaker: Order, please. I must interrupt the hon. member to inform him that under the Standing Order his time has now expired.

Some hon. Members: Continue.

Mr. Speaker: Does the House agree unanimously?

Some hon. Members: No.

Mr. Speaker: Apparently there is not unanimity.

[Mr. Woolliams.]

Some hon. Members: Yes, continue.

Mr. Speaker: I shall ask the House again whether the hon. member has the consent of the House to continue.

Some hon. Members: Agreed.

Mr. Speaker: The second round seems to be favourable to the hon. member.

Mr. Woolliams: Mr. Speaker, I shall try to finish my point. I thank hon. members and appreciate their generosity in allowing me to continue. I will try to be brief.

Mr. Davis: Mr. Speaker, would the hon. gentleman permit a question? Is it not a fact that Canadian Oils and British American Oil were both taken over when the right hon. gentleman from Prince Albert (Mr. Diefenbaker) was Prime Minister of the country?

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, I will not go into that. I deliberately said that this has gone on for 20 years or more. I say that the taxation structure of this country is such—and we did not put those tax laws on the statute books—as to encourage foreign takeover.

Mr. Olson: Would the hon. member now answer the question?

Mr. Woolliams: In the case of Home Oil, the huge accumulation of tax losses in Alaska and elsewhere—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Calgary North (Mr. Woolliams) has the floor.

An hon. Member: He ought to answer the question.

Mr. Woolliams: —may make it attractive to American companies, which it cannot be to Canadians. The commercial preferences and taxation advantages at home provide the financial muscle for United States expansion abroad. My main point, therefore, is that Canadians must enjoy equality with foreigners in the field of incentive taxes. I make another point. Every time we ship a ton of minerals, a barrel of crude petroleum or anything else out of this country we are shipping Canadian jobs with it. We must launch a new national program in Canada. We must process our own raw materials, which we have in abundance, to make sure that more young men and women have jobs throughout the land. We can only do that if Canadians enjoy equality of tax opportunity with foreigners operating here.

I heard the Minister of Agriculture (Mr. Olson), when he was a member of another party, espouse this position while speaking on the political platform. I think he agrees with what I have just said. The tax situation in this country and the uncertainty created by the white paper have, together, brought about the takeover of the majority of our resource industry. I am speaking of resource corporations which are active in the development of the north. It is my hope that this government

will set up a task force that will be independent of corporations which send oil to eastern Canada. The task force ought to undertake an economic study to see if pipelines could be built from western Canada or from the Arctic to bring oil to eastern Canada, where it should go.

That question can only be determined after the economics of the situation have been studied and after it has been determined that such pipelines are feasible. If such pipelines are built, it will mean more jobs for throughout Canada. I thank you, Mr. Speaker, and hon. members for allowing me to speak for a few extra moments.

• (8:50 p.m.)

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, this debate is taking place at a critical time for our economy. We are clearly getting less from our economy than we would like to get from it. While the evidence is that we are on the path toward a better economic performance, it is obvious to the victims of inflation to the victims of unemployment and to the victims, in international trade terms, of our very hard dollar, that we have a fair distance to go.

The Home Oil issue reflects the new dimension of the demands we are making on our economy a problem we have been sweeping under the rug for decades. I regret that the hon. member who just spoke did not acknowledge that the government which he supported swept the problem under the rug as much as Liberal governments in the past.

An hon. Member: And present.

Mr. Kaplan: Traditionally we have asked our economy to provide us with full employment, reasonable price stability, steady growth, a satisfactory balance of international payments and a fair distribution of the benefits of growth. However, a growing number of Canadians now recognize that even if we achieve all these things we may not have an economy which satisfies our aspirations. We might have a high standard of living and yet be a derivative economy, relying on another country for our direction. We might have industrial development but all geared to foreign input of technology, research and development.

We might have an economy whose activity is assembling parts and implementing ideas shipped to us from abroad, accepting styles of life and goods created elsewhere. All this can happen while our standard of living continues to rise. If that happens, Mr. Speaker, we should not be surprised if our brightest and most able people go to the source country to find jobs which are challenging, fun and offer opportunities to become creators of economic events. If these people leave us for these reasons, what will happen to the rest of Canada's life? How will this affect our culture and national identity?

Such an economy and such a destiny would be unacceptable to me and, I believe, to most Canadians. We can consider the remote example of the American revolution. A factor in that revolution was taxation without representation. Another, and perhaps more important, was the resistance of the American people to the shaping of their economy, by imperial policy, into colonial subservience to the mother economy. The revolutionary analogy breaks down, however, because in Canada we already have the political power. How shall it be used?

On the one hand, we want foreign capital if it will increase our standard of living and bring us, as well, know-how, innovation, technology and market access which will permit us to market better products more efficiently. On the other hand, we want to see in our economy the development of a unique identity, a dynamic autonomy, an internal generative power which can push us ahead of other nations in efficiency, creativity, technology and economic style-setting.

We like to refer to the natural resources of Canada as a stock of untold riches. They are riches, as are our vast resources of timber, fertile land and a strong, healthy and industrious people. However, these riches should not be confused with capital. Without capital, resources lie unused. Capital is not resources but command over resources, a means to exploit resources, power to bring them into the market place and the economy.

A national commitment is required to elaborate an economic strategy to achieve these goals. We are told that the development of the strategy is under way in cabinet. It is long overdue. I cannot attemp here to formulate the strategy myself, except to note that it will not be simple and will have to reflect a variety of interests. However, Mr. Speaker, for the purpose of assessing the Home Oil question, I believe one obvious limitation exists which, I submit, should assist the government in dealing with the difficult question which must be resolved on an urgent basis.

The proposal I wish to make stems from the observation that Canadian capital will always be in shorter supply than we would like in order to achieve all possible economic goals. We are going to have to choose the areas which are to be protected from foreign investment. How should we decide which to protect? Operating from this premise, I submit that the natural resource industries are the last which should be protected from foreign encroachment. I make this observation recognizing that the general public view tends to be the opposite. The public seems to believe there is some special national interest which requires the exclusion of foreigners from resource development. This may be an elaboration of the territorial imperative but it is a public sentiment which I very much regret.

In the first place, Mr. Speaker, the products of the basic natural resource industry contribute very little, if anything, to the Canadian life-style. What is our life-style? In the material sense it is our books, food, clothing, educational and entertainment systems, homes, buildings, art and our transportation systems. These are the material things which will make Canadians unique in physical terms, if anything will. I believe a policy of Canadian identity should stress these areas. By contrast, the production of the natural resource industries are neutral international goods devoid of personality. Clearly, the national identity of the owner has a remote impact, if any, on the character of production.

There is a second, more compelling reason why foreign ownership of the natural resource industry represents no

threat to Canadian identity. There is no industry in which government control can be so effective and complete, irrespective of ownership. A natural resource investment once made is captive, even hostage in a way that no other industry is, to national policy.

Contrast a mining operation on the one hand with an advanced electronic business, typically an international corporation, on the other. The development work of the mining company must be done here physically. For the electric company it can be done in thin air, in a foreign country or in mid-Atlantic. In typical international electronic companies, no single product is made wholly in one country. Even a simple electric razor, typewriter or radio is a multinational product. The offshore operation provides the only market and often the principal supplier of a Canadian branch.

Against such an operation, national priorities of any particular host government are marginal. The international corporation's bargaining position is excellent. It is true that the Canadian plant and equipment may be hostage, but such assets are useless without the rest of the international operation.

A basic natural resource industry, by contrast, is all here. The government priorities must be accepted. There is no bargaining position except future investment which, as it chooses, the government can welcome or not. The labour policies and standards such as the employment of native personnel, degrees of processing, pricing, including a two-price system, export permits which permit embargoes, are all within the power of the host government and, in fact, have all been imposed by federal and provincial governments of Canada in varying degrees. In fact, all these measures I have been describing have been imposed by federal and provincial governments in varying degrees in recent times.

• (9:00 p.m.)

I wish the minister well in his search for a Canadian customer for Home Oil. All Canadians wish him well. If it works, everyone will be happy. If he is unsuccessful, I urge the government to consider buying the company either for the Crown or to offer to the CDC when it is established. But I deeply hope no action will be taken which would lead international mining investors to steer around Canada. This country does not need, and cannot afford, such a policy.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the House is now studying the problem of the sale of Home Oil to American interests through the transfer of the shares held by Mr. Brown, the main shareholder, to an American.

This problem, Mr. Speaker, which the leader of the New Democratic party (Mr. Douglas), brought up shows us the need for a Canadian economic policy. To get the picture, let us remember that Home Oil is the main Canadian oil producer. Indeed, it is the most important independent Canadian oil company. It has assets of over $240 million. Home Oil sells more than 350 million gallons of liquid oil annually, and holds about 10 per cent of the shares of Trans-Canada Pipe Lines. It is now a proposal of sale to the American Ashland Oil Company for $10 million.

Mr. Speaker, it would seem that Cygnus Corporation now owns 43.5 per cent of the shares of Home Oil, and that Mr. R. A. Brown holds in his own name 50.3 per cent of the share of Cygnus Corporation. The reason for the sale is that Mr. Brown, the president of Home Oil, has now short-term debts of $90 million and he must pay more than $200,000 in monthly interests on that loan. He apparently borrowed $24 million payable on demand from the Bank of Nova Scotia and over $1,431,000 from the Imperial Bank of Commerce of Canada. Finally, Mr. Brown controls Home Oil since 1952. That is to say that this truly Canadian oil company has been operating in Canada since 1952. I must say "operating", because according to available information which moreover is at variance with the position of the Minister of Energy, Mines and Resources (Mr. Greene), it seems that this company is no longer Canadian.

The minister insists that he offered some kind of pious opposition to the American Securities Commission, because that transaction would not be acceptable to the Canadian government, but if we refer to his answers during the question period today, obviously, these sessions of "fancy skating" will last for quite a while yet.

If we put this particular problem in a Canadian context, we must realize that presently, more than 87 per cent of Canadian oil and gas producers are in the hands of foreign interests. Thus, 99 per cent of refineries are foreign-owned. What is Canadian in the oil industry? Capital? No. Management? Neither. In fact, the greatest part of the oil industry in Canada belongs to foreign interests. What we have, in Canada, are natural resources that we beg foreigners to come and develop for us, because we lack the capital needed to do it ourselves. We are always faced with the same basic problem, that of Canadian capital.

Mr. Speaker, for a long time in Quebec, we have been told that while we were learning how we had been defeated on the Plains of Abraham, in English Canada people were taught that 2 plus 2 makes 4, plus so much per cent interest. It was said to be a valid explanation of the reason why Quebec did not belong to Quebecers and American capital controlled the province.

The same thing applies to natural resources. As far as Quebec is concerned, it will be remembered that a premier by the name of Duplessis gave away the iron ore of the province to Americans for a mess of pottage, begging them to process it in secondary industries so that we may buy it back at high prices.

Today's policy is not new. For too long in Canada we have left to others the task of developing our own natural resources so that today, if we place the Home Oil problem in the overall picture, we realize that the situation has become very serious. Home Oil is a Canadian business in the process of becoming American. That is the tragedy, and it is not new. Slowly but surely, our leaders—if one can call them that since their leadership does not extend over much and since all our raw materials

belong to foreigners—have let foreigners take over our basic industries.

This vast country, which at one time belonged to us, does not belong to us now. We have become tenants. A tenant should not be asked to boast of the values and qualities of a house that no longer belongs to him. That is why I am so surprised by the speech made by the hon. member who preceded me, who talked of the pride of being Canadians, who sang the praise of Canadian unity, or of this vast country that is described in picture books.

• (9:10 p.m.)

Mr. Speaker, that is a stupid policy, because the country no longer belongs to us. It did at one time, but today it belongs to foreigners.

Mr. Speaker, it is no wonder that Canadians take no pride whatsoever in being Canadians, because all they get in Canada is taxes. Their lot is to be hustled by the government which, wittingly and knowingly, sold Canada down the river to the United States.

Mr. Speaker, I shall quote precise figures, and I must point out that since they were published in 1967, the situation has been getting worse.

In the soft drinks industry, 26 per cent of interests was in foreign hands and 14 per cent under foreign control.

The rubber industry was 88 per cent in foreign-owned and 99 per cent foreign-controlled.

"The minister with the smile", Jean-Luc Pepin, boasts about the fact that we have a Canadian textile industry but, Mr. Speaker, he was one of those who gave this industry away, for 24 per cent of shares are in foreign hands and 23 per cent under foreign control.

In the pulp and paper industry, 51 per cent of shares are in foreign hands and 46 per cent under foreign control.

In the farm machinery industry, 47 per cent of shares are in foreign hands and 54 per cent under foreign control.

In the automobile industry, 90 per cent of shares are in foreign hands and 97 per cent under foreign control.

In the transport equipment industry, 58 per cent of shares are in foreign hands and 71 per cent under foreign control.

The same applies to electrical appliances, iron and steel, oil and natural gas and the mining industry.

As for oil and natural gas, 87 of shares are in foreign hands.

I was aware, a few minutes ago, of a dispute between the Minister of Fisheries and Forestry (Mr. Davis) and the hon. member for Calgary North (Mr. Woolliams), who were giving each other tit for tat, asking which of them was responsible, through inertia, for the sale of Canadian interests to foreigners.

Mr. Speaker, the figures I have just cited are by no means heartening. I recall that during the 1957 and 1958 election campaigns, the right hon. member for Prince Albert travelled the country and stated dramatically and bombastically "Canada to Canadians", all for the evident purpose of getting votes.

From 1957 to 1961, with the Conservative administration, foreign ownership increased from 54 to 56 per cent, and foreign control jumped from 61 to 64 per cent.

The Liberals may think it funny because it suits their purpose, but they were in power themselves from 1935 to 1957. Were they more Canadian than the Conservatives? They may well say that they achieved unity, that they were the only ones to do so, but the fact still remains that they had some shady role in that. The Liberals were first responsible for the U.S. take-over of our economy. When I see them crying and apologizing today, it reminds me of crocodile tears. Their wailing sounds remind me of bleating sheep happy to be shorn by the Americans and going "baa... baa... baa..."

In 1935, 37 per cent of our economy as well as 45 per cent of our mining industry belonged to foreigners. After 20 years of Liberal administration, in the name of the famous economic liberalism, men like the hon. Walter Gordon, who advocated a nationalistic economic policy, were expulsed from the party because, as they were saying, that upsets our projects. Yet, this man was a Canadian. They preferred selling Canadians to the United States rather than keeping Canadian people in the Liberal party.

After 20 years of Liberal administration, foreigners controlled more than 56 per cent of our industries. Indeed, 80 per cent of the capital controlling us is American capital. That is saying a good deal.

We can almost hear already the pompous speeches that will be delivered by eloquent government members to say nothing. The situation will nevertheless be tolerated and the Home Oil Company will fall into American hands. Why? Because the Canadian government has no national economic policy, because it discourages the investment of Canadian capital, because it puts out white papers like the one on fiscal reform for instance, which prevents Canadians from investing their profits in the Canadian economy.

The government wants to tax and discourage the Canadian people. Home Oil will fall into American hands because this government is the Americans' pay instead of being at the service of the Canadian people. Home Oil will be taken over by the Americans because the Canadian government is controlled by high finance and not by the Canadian people.

That is why I am convinced that Home Oil will fall into American hands and that again the development of our natural resources will be left to others. And yet, it would be so easy to develop a Canadian economic policy, a development policy for our natural resources, a policy that would enable us to invite young Canadians, particularly the 45 per cent of the unemployed under 25, to bring in their contribution. They are quite willing to participate in the building of their country but if the government continues to boost unemployment with their phony fight against inflation while giving away our natural resources, we shall not have to wonder why young Canadians do not believe any more in Canada. Therefore, it should be understood that Canadians want a truly

Canadian government. One would wonder whether this government is not an American government.

Mr. Speaker, this situation is hopeless. We have several solutions to offer. We could legislate to prevent Home Oil Company from being sold to American interests as has already been done in the case of the selling of Denison Mines to the Hudson Bay Oil & Gas Company last year.

The Minister of Energy, Mines and Resources is just smilling as does the Minister of Industry, Trade and Commerce (Mr. Pepin) and the others sold to the Americans. The first one remains idle and contents himself with denying, and pretending he knows nothing. If a minister knows nothing, this is a serious situation.

Here is a solution. I do not suggest it is the best but if this government is truly Canadian they will quickly find a solution so that Home Oil Company will remain Canadian as has been done for Denison Mines.

I would like to offer another solution to the minister. The choice will be his. Since he does not seem to have any idea, then I will give him one. The government itself could buy Home Oil Company and later sell it to Polymer Corporation or to the Canada Development Corporation.

That is another solution but it is not pleasing because it is tinted with socialism. If the government takes over private enterprise, that does not please me. I say it again: That solution is tinted with socialism.

It would be better if that company became a crown corporation with a mixed economy, which would permit to buy back the shares of Home Oil, instead of seeing the company fall into American hands. That solution would be a poultice on a wooden leg, but at least a Canadian poultice.

Mr. Speaker, in one thing at least I am different from the leader of the New Democratic party; he does not make any distinction between crown corporations, because he dreams of socialism, while I hope at least that that corporation will have a mixed economy, so that it would be possible to invite Canadian investors to contribute, by their capital, to the management of that new corporation, which could be advised by the Polymer Corporation.

• (9:20 p.m.)

Mr. Speaker, a third solution could be considered. I do not deem it excellent in itself, but it is a possible solution that might allow the Canadian people to keep their own resources.

That third solution be the following: the government would vouch for the liabilities of the Home Oil Company. I believe that this would be the best answer.

Mr. Speaker, the main problem of Mr. Brown, president of Home Oil, is that considering the existing fiscal system, he had to borrow tremendous amounts of money and must pay in interest fees only over $200,000 per month. Such liabilities that he can no longer meet because he is now being stifled by high finance, the latter enjoying the Canadian government's protection, of course, compel him to sell Home Oil to Americans. All this is happening because the government does not control the Canadian economy. Why could it not guarantee the debts of the Home Oil Company? This would prevent it from selling itself to Americans.

Mr. Speaker, the Canadian government grants interest-free loans to foreign countries, for instance, India. Up to now, over $201 million have been loaned to India, interest-free, for a 60-year period. This means that the Canadian government is guaranteeing the development of that country.

Not long ago, our right hon. national traveller, the Prime Minister (Mr. Trudeau), at a cost of many millions of dollars, visited that country on behalf of the Canadian people, whereas we were still involving ourselves into new debts and were still being crushed under the weight of interest charges. For his part, he went around, strutting like a peacock and leaving behind here and there millions of dollars, interest free and refundable over a 60-year period, while the Canadian people were crushed under financial obligations. Such loans were granted for the development of those countries, to spare them the fate of the Middle East countries, as was stated by the leader of the New Democratic Party, where resources are almost wholly foreign-owned.

This government grants interest-free loans to some countries to help them develop and control their own resources while, at the same time, it crushes Canadians. It does absolutely nothing to save Canadian industry and provokes through inertia and lethargy the sell-out of Canadian enterprises to American hands.

Mr. Speaker, we of the Ralliement Créditiste strongly advocate an economic policy that would give back Canadian industries to Canadians through the use of credit based on the real credit of the nation. Natural resources do not belong either to the ome Oil Company or to the Americans, but to all Canadians. Natural resources do not belong either to the Home Oil Company do not belong to a Canadian in particular, not anymore than to the present Prime Minister or to the right hon. member for Prince Albert—the two persons who sold us out—but to all Canadians. It is the government's duty to give these natural resources back to Canadians through a national economic policy and it should guarantee the Home Oil debts.

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member may continue with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to thank my hon. friends for their kindness. I was precisely in the process of rounding up my remarks.

We are asking the government to vouch for the Home Oil indebtedness in order that this company may from now on operate without being chained down by interest rates. Actually, they have to pay out $200,000 in monthly interest. If the government could vouch for this company's indebtedness, it would amount to handing it back to the Canadian people. When we know that approximately 99 per cent of the Canadian oil industry is in American hands, this is the least the government can do if it is truly Canadian. The government must act immediately and unambiguously. It must assume not just a short-term policy but also a long-term one aimed not at kicking the Americans out of Canada but rather at convincing them that Canada belongs to Canadians.

[*English*]

Mr. Max Saltsman (Waterloo): Mr. Speaker, I hoped to follow the minister. Since this is a debate which has been called on the basis of urgency, I thought the minister would speak after the lead-off speakers of the three opposition parties had had their say, if only to indicate the government's position. This matter is of enormous concern to this country and it is important that we know the government's intention. I suggest there is more involved in this question than just the Home Oil Company. We must put this in the context of what is happening internationally in order to assess its importance and the importance of having in Canada a company which does not react to and depend upon the international oil situation.

For years the major oil companies of the world have been able to play the interests of one oil producing nation against another. There has been a long pattern of James Bond intrigue. By following this pattern these companies have been able to assure control of international oil markets. The only exception has been in respect of countries like Italy and others in Europe which got into the oil business on their own. The oil producing nations of the world decided to get together to counter this kind of international activity on the part of oil companies. We are now faced with a situation in this country, or will be shortly, that is faced by other countries which do not have oil, do not have conservation policies and do not control the oil industries which exist. We will soon find ourselves blackmailed as well, not only by our national oil companies but by the international companies.

This fact points out the importance of maintaining strong Canadian participation in our oil industry. The hon. member for Don Valley (Mr. Kaplan) suggested that the government could regulate this industry. We have observed a long history of this type of regulation by government in respect of the gas and oil industry. After looking at the record in this regard we can decide that the National Energy Board has been the patsy of the oil companies. The oil companies have won every round in this battle.

Mr. Greene: Shame.

Mr. Saltsman: Yes, shame on the National Energy Board and the government which evades its responsibility.

Mr. Greene: Shame.

Mr. Saltsman: There is a hearing now taking place before the National Energy Board.

Mr. Greene: You are attacking public servants.

Mr. Saltsman: I am not attacking public servants; I am attacking stupid politicians on that side of the House.

Mr. Greene: We are not members of the National Energy Board.

Mr. Saltsman: They are the ones who sit idly by while this country is sold out. I challenge the minister to rise tonight and tell us about his plan to do something about the oil industry in Canada. I had intended to point out what had taken place before the inception of the National Energy Board. After 1966, following a long debate in this House about a natural gas pipe line, the government decided to provide a route through the United States but attached some conditions. Now, Trans-Canada Pipe Lines is not delivering the amount of gas required in Canada in spite of its promises at that time. There was a package deal arranged which allowed for an increase in the amount delivered on the basis of a higher price. This is what the companies want. That is not what was decided in 1966.

How does the government propose to untangle this mess? I suggest that the problem will be resolved in the usual way, with the oil companies getting what they want. The hon. member for Calgary North (Mr. Woolliams) referred to the oil industry in relation to the white paper on taxation. The white paper has not been implemented and has not been discussed for some time. Why has the oil industry in Canada been sold out to United States interests? It has been suggested that this has some connection with the tax structure. I suggest it has not happened because of taxes. The amount of tax paid by the oil industry in Canada has been decreasing. If we look at the documentation in Walter Gordon's book "Choice for Canada" we see how much in taxes the oil companies have contributed to Canada. So it is not a problem of taxes. Taxes on the oil industry will not change anything.

• (9:30 p.m.)

The truth of the matter is that a Canadian company, limited to its own resources, cannot compete economically in the international cartelization that goes in the world today. For years Home Oil has come to the Canadian people and the Canadian government and said, "Build a pipe line to Montreal. Give us a chance. If you do not, we will be stuck with the internationals who allocate where the oil goes and does not go". We have refused the pipeline to Montreal. Why? Is it because it is uneconomic? In the oil industry we do not talk about uneconomic things. The oil industry is political from start to finish. The international oil policy is political.

Possible Takeover of Home Oil Company

The national oil policy was designed on the basis that whatever offshore crude the Canadian oil displaced in the United States, mid-west markets would be taken in at Montreal. For many years we asked in this House about a national oil policy. We asked if such a deal had been made and if this was part of the policy. No one was willing to say, until one day the Minister of Industry, Trade and Commerce (Mr. Pepin) blurted it out; then everyone was aware of it. I do not know whether he blurted it out or was a little more honest than others; I suspect he was a little more honest.

The point is that you cannot separate oil from politics. Talk about economics does not make sense. My leader made the mildest proposals tonight. He suggested that as an immediate course we should do something to make sure this oil company is not sold out to the Americans. We are not talking about public or private ownership. We need at least one company in Canada which has a sense of obligation to the Canadian public instead of to a great big club around the world known as the international oil cartel.

Home Oil, whatever its difficulties and attitudes may be—and we are not particularly lovers of the oil industry—has a voice that is Canadian. The appeal it made to this government was that it have a voice with the international oil companies. Why did they want the pipeline to Montreal? They commissioned a very extensive study for that purpose because they were the only ones with a big interest in having a pipeline to Montreal. The internationals did not care; it did not make any difference to them whether they sold oil from Venezuela, Arabia or Alberta. What was the sense of pushing Canadian oil if they could send Venezuelan crude here?

There have been a number of studies in respect of the peipeline. I know of three. The one the oil companies commissioned was a study by W. J. Levy Inc., entitled "Outlook for Canadian Crude Production and Markets". In examining the pipeline proposal to Montreal it suggested it was not a good idea. One reason is that the internationals would cut our price to make sure we could not sell oil at any price but theirs. They are quite capable of doing this because their profit margins are high enough. So whatever price we could deliver to Montreal would be cut.

P. S. Auf Der Maur conducted an extensive study in 1968. He pointed out the advantages of bringing western crude to Montreal. He said there is a pollution factor involved and Canadian crude is much purer in the sense that you do not have to refine it extensively in order to make it pollution free. He stated it is a better type of oil for that reason. But again price enters the picture. There was a study commissioned by the department of research and development of Canadian National Railways entitled, "Some Implications of Marketing Canadian Crude in Montreal". It showed that at that time the differential, even given the posted price of oil at Montreal, as against western crude brought in by a private pipe line to Montreal was 28 cents a barrel. That is not a great difference when one considers that with the increase that will inevitably take place in respect of international crude prices, the 28 cents a barrel would be wiped out.

It would seem to me, aside from the immediate problem, we should be ensuring that we are not put at the mercy of offshore oil and are not placed in the position of being blackmailed in this respect. Let us remember one thing. This does not mean that the price of Canadian oil or gasoline will be cheaper west of Montreal. At the moment it is supposed to be a little cheaper west of Ottawa. But I am quite convinced the Canadian oil producers will waste no time in raising their prices to match international prices at the moment.

When we are talking about a pipe line I should like to put on record the significant difference between a publicly-owned pipe line and a privately-owned pipe line. One of the greatest mistakes ever made in the history of our country was letting the Trans-Canada pipe line be built by private people rather than by the government. We have paid a terrible price ever since that dreadful decision. I should like to refer to the *Minutes of Proceedings and Evidence* of the Committee on Industry, Research and Energy Development, for June 21, 1966.

Mr. McKinnon was before the committee and was asked whether he had studied the cost of moving western crude to Montreal. He was asked what it would cost to move a barrel of crude from the west to Montreal. He asked whether this would be done privately or publicly, because it would appear that if it were done privately the cost would probably be between 60 cents and 70 cents but if it were done publicly the cost would be 50 cents a very significant difference. This seemed to be a very compelling argument for a publicly-owned pipe line.

What, then, do we do tonight? If I know the minister, he loves to evade answers. Very often he makes great political speeches. He made one last year at the Liberal convention which did not do him much good but got him a lot of applause. I am sure he is lurking around somewhere with a pad and pencil and that instead of telling us what his government will do he will say the Conservatives want us to do one thing, the NDP want something else, the Créditistes something different and Mr. Saltsman wants something else. We are not in a position to make proposals. It should not be of very much concern to him that all of us have different ideas about what should be done.

One thing is obvious in this House tonight. Everyone on this side recognizes the vital importance of Home Oil Company remaining in Canadian hands in some way, whether by tax concessions or some other way. All of us are concerned that something be done, and we will not be pawned off by any sort of juvenile trick the minister may have up his sleeve. I would make a suggestion that I think has some merit, because in the long run simply selling Home Oil to another Canadian company would not solve the problem. It would give us some breathing space, which is important, and therefore I am in favour of it. It would give us the time we need to look at the situation. However, I do not think it would solve the problem because I do not believe a Canadian company, dependent on its own resources and financing, will ever be able to compete with the kind of dominance achieved by the international giants in the oil industry.

• (9:40 p.m.)

This is the kind of thing the Canadian Development Corporation could do. I think the Canadian government must ensure that if a Canadian buyer is not found, the government itself will become that buyer, because in the long run control of oil and politics are the same. The hon. member who spoke earlier felt that it was not very important whether or not we got into the natural resource industries. He could think of some things that were much better, and he tended to pooh-pooh the importance of the oil industry. Let me remind the hon. member that these natural resources vitally affect us in this country because today oil is the primary product in the textile industry. It is the base for the chemical world in which we live.

Oil, and who controls oil, determine to a very large extent what kind of measures will be taken regarding our environment in terms of pollution and things related to it. It vitally affects our life-style. It is true that governments have the power to regulate the industry but it is not true that there is any evidence that the Liberal party has ever used that power or is willing to use it. Their ideological hang-up, their commitment to the market is so strong that they can only react when faced with an immediate disaster.

The only time the Minister of Energy, Mines and Resources (Mr. Greene) acted precipitously was with reference to Denison Mines. I hope he does so now, but time is short. Why do we have to wait until we are on the edge of the cliff, ready to fall off, before someone throws us a rope? Surely this matter could have been anticipated. Surely it was obvious what was happening in the industry and plans could have been made, instead of the fooling around that is going on at this time. Therefore, I would suggest that under no circumstances should Home Oil Company be permitted to fall into foreign hands. The government must come up with an answer that will ensure this company remains in Canadian hands, so we can have a base of some kind and a Canadian voice of some kind, or the government of Canada itself, on behalf of the people of Canada, should purchase Home Oil.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I think the one thing which this House recognizes tonight is the importance of the issue we are discussing. I do not think there is any question that the members of this House are speaking and reflecting on a matter of major concern to Canadians, and I welcome the opportunity to participate in the debate this evening.

I think Canadians all across this country are asking themselves whether yet another Canadian corporation is to go the way that so many already have gone. We all know that over the last eight years hundreds of Canadian firms have been taken over in the absence of any national or provincial policies in this area, and perhaps many thinking Canadians are asking what chance there is for Canada to maintain its political independence if we stand idly by as one firm after another is taken over by foreign owners. Many of you may have seen in the last week or two figures presented from Colura. Those figures indicated that slightly over 42 per cent of all the corporate profits—that is 42 per cent of the profits of all incorporated firms in Canada—are earned by foreign-controlled firms. In many ways this seems to me to be a more significant figure than the percentage of our foreign-controlled industry.

This evening we are talking about the Home Oil Company in particular, although I think it raises issues far wider, as the previous speaker, the hon. member for Waterloo (Mr. Saltsman) indicated. As we know, Home Oil is the largest of the independent oil companies left in Canadian hands. Most of us applaud the minister for the sense of commitment he has shown in these negotiations and we wish him well in his efforts. We may question whether he has the power, but we wish him well.

A year ago the expectations of Canadians were raised significantly when the Canadian government stepped in and halted the sale of control to foreign owners of Denison Mines. During this period of a year Canadians have been waiting patiently for a statement of policy in this area. During this period we have seen two of the major remaining textbook publishing firms sold to U.S. owners. As a result of this sale, 95 per cent of all the books used in Canadian elementary and high schools are now published by firms which are controlled by non-Canadians. Only 5 per cent of the books used in Canadian schools today are published by Canadian-controlled firms.

I do not propose to deal with the cultural identity argument this evening although I acknowledge, as did the hon. member for Don Valley (Mr. Kaplan) that the question of cultural identity is absolutely central to this issue. But it is not the only issue. Cultural sovereignty is one issue. I would argue that economic sovereignty is another and that they are twin pillars in building and developing an independent Canada. It seems to me that there is every likelihood that in the ensuing months other major or significant Canadian corporations will be faced with a similar situation as that now facing Home Oil Company.

Do we stand idly by agonizing on the sidelines? Do we say that we have not the federal power to deal with the situation? We can, as we did with regard to textbooks, indicate that this is primarily a provincial matter, and I think that is right. But are we to encourage those who would purchase Canadian industry? Are we to clap them on the back, as perhaps Stanley Randal might be prompted to do? His remarks recently have indicated that he would repudiate the position that might be taken by candidates of the Conservative party running for leadership in Ontario, with respect to the question of foreign ownership. I say that we have a major problem and that we cannot afford to sit idly by.

• (9:50 p.m.)

We cannot take decisions by default. There is no question in my mind and I think, as I have already said, that this is reflected in the views of those who have spoken this evening, that the Canadian people are concerned about this matter. Recent Gallup polls published in the newspapers would support this view. Equally, there have

been Gallup polls supporting a positive and aggressive position for the Canada Development Corporation.

It might well be that Canadians would say, "Why do we not in some way get the Canada Development Corporation to deal with this situation? Isn't this the very situation that the Canada Development Corporation was designed to deal with?" I think the clear answer is no. The Canada Development Corporation is not designed to deal with this kind of situation. I think that this situation, better than anything else, points out the problems when we look at the pre-emptive purchase. Take the situation, for example, of Home Oil. It might be that Home Oil will be worth more to a foreign buyer than to a Canadian buyer because, integrated with other foreign firms, the value of that integration, or the synergetic effect will be worth a premium to a foreign owner. For these reasons, those who have read the Canada Development Corporation legislation will recognize that corporation is not well designed for this kind of situation.

As the hon. member for Waterloo said in his remarks, we are dealing with a subject which is far greater in extent than just the question of one takeover. While I would not agree with his views on what we need in the way of an industrial strategy, I would suggest that broadly speaking we should be considering an industrial strategy for Canada, and foreign ownership is part of such an industrial strategy.

I think the debate this evening has obscured some of the main issues. For instance, the hon. member for Calgary North (Mr. Woolliams) in his loud and noisy bluster did not distinguish between investment on the one hand and foreign ownership on the other. I think it important, if we are going to deal with this issue, that we make that distinction. Nor, Mr. Speaker, can I agree with all the sentiments of the hon. member for Don Valley when he said he felt the natural resource industry is the last area we should be concerned with when we come to formulating foreign ownership policies. In my view it is one of the first areas we should concern ourselves with, partly because natural resource industries are the dominant industrial group in Canada and partly because they alone have the major opportunity for going multinational, and certainly because they are the industries on which we rely most heavily for our export sales. One might also add it is more likely that the natural resource industries will integrate, and integrate down in such a way that an even larger proportion of Canadian industry will be affected when there is a foreign takeover in a natural resource industry.

So I would say that in considering the issues raised in this debate we should place the need for an industrial policy close to the top, and we should recognize the importance of the multinational corporation in the seventies and beyond. We should see the multinational corporation, not in a defensive way, something to resist, but in the opportunity sense. It seems to me that for too long Canadians have reacted defensively against the multinational corporation. They have seen it not as an opportunity, as it should be, but as a threat.

It might help those who still feel this way to note that 70 per cent of the exports of Canadian subsidiaries of U.S. corporations are sold or exported to firms which are associated with those subsidiaries. In other words, the flow of trade is not the way it used to be in a commodity sense, but between the subsidiary and the associated companies within the group. I would say, Mr. Speaker, that we need to distinguish the capacity of resource industry to go multinational, and I think in the Home Oil Company we have such an opportunity. It represents for Canada and Canadians an opportunity to build something larger around the last large, independent Canadian corporation.

Similarly, I think we need to distinguish two other aspects when we talk about foreign investment and foreign ownership policies. We need to distinguish on the one hand a general category of new plants, and on the other a different category of existing Canadian plants which may be taken over by foreign owners. Within the new plants category we need to distinguish between the branch plant which is producing a carbon copy of the same item that the parent is making. Surely this is less attractive in terms of long-term policy as an industrial strategy than satellite plants, which I would argue are different. A satellite plant would be a plant manufacturing a component to be exported to the foreign corporation, probably a component which no other corporation within the group is presently manufacturing. Without trouble, one could think of other distinctions. I leave one more with the House—that of autonomous plants which are not necessarily producing components but are producing a product which is viable on its own, which is distinctive and perhaps fits the product line in a complementary way but not necessarily in a complementary way.

Turning now to the category of the takeovers, let me say that I think we need a special policy with respect to takeovers which is distinctive and different from the policies I have been talking about in the areas of investment for new plant and resource industry. I think we need it just as much to protect existing Canadian entrepreneurship as we do to protect our capacity to develop Canadian entrepreneurship in the future. Every time a Canadian firm is taken over the capacity of Canadians to develop a distinctive Canadian enterprise is affected and sometimes eliminated.

In my remarks I have tried to indicate that this whole area is immensely complicated. I have no doubt this is the reason why it has taken so long to produce a foreign ownership policy for Canada. The more one gets into it, the more one realizes the interrelationship and the difficulties. This evening I would like to place before the House several recommendations which I think might help in developing such a policy. When this policy comes down it should contain provisions to protect the control and the ownership—and I think it is important that we distinguish between control and ownership—of existing and potential multinational firms. The Home Oil Company is such a firm. It meets that test: it is a potential multinational corporation within the Canadian scheme of things.

Mr. Benjamin: Don't stretch your imagination.

Mr. Gillespie: If you had imagination you would see it had potential. I think we need investment rules with respect to foreign investment and I suggest we should have a rule for future foreign investment of 50 per cent Canadian ownership. I would say to the private sector, make your own deals. Meet the 50 per cent requirement, but make your own deals and, if you cannot get sufficient Canadian partners to go along with you, talk to the Canada Development Corporation. That corporation, I would suggest, would be a very useful instrument in this field of meeting the Canadian content test. It should, of course, consider such a proposal only if it meet the test of profitability.

• (10:00 p.m.)

In concluding my remarks, Mr. Speaker, I should like to say that I, for one, am impressed with the sense of commitment the minister has displayed in dealing with this very difficult problem. I wish that he did not have to rely on his powers of persuasion, which are considerable. I wish that legislation was in being which would enable him and the government to act with expedition. There is, however, no such legislation in this country at this time; nor have I heard any members of the opposition propose the kinds of items which ought to be included in such legislation.

An hon. Member: That is not correct.

Mr. Lambert (Edmonton West): We are talking about Home Oil, not about general legislation.

Mr. Gillespie: I think I have said more than once that we ought to distinguish between an over-all investment policy and a policy which deals with the takeover.

An hon. Member: We want Joe.

Mr. Gillespie: I argue that our No. 1 priority ought to be the development of a policy which will anticipate the problem that may be raised by the sale of other firms. I urge the government to bring in new policies which would establish takeover rules and, if possible, a mechanism or instrument to deal with takeovers. Other countries such as Australia, the United Kingdom, Japan and France have dealt with this problem. It is high time that we did so. If we do not deal with it now we are very likely to be embarrassed in one month, or two months. In my view, we cannot wait.

Some hon. Members: Hear, hear!

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to speak this evening on this motion because I, too, am concerned about the amount of foreign ownership in Canada. I am concerned that the decisions with regard to our resources are not being made by Canadians. The power to make those decisions is being taken out of Canadian hands. These days we hear a great deal of discussion about the quality of life and the standard of living. What those two phrases really mean to me is that we must have some right, some ability, to make decisions that affect our own livelihood and personal well-being. Little by little, as the power to make these decisions slips into the hands of foreign corporations, so slips away the power that Canadians may enjoy in the years ahead to control the quality of their lives.

I think that we need a government inspired by a sense of national mission. Its mission must be to create hope and opportunity for Canadians, so that they may enjoy the highest quality of life possible. I say again that we must have the right to make decisions in the years ahead which will affect the quality of our lives. I do not think the government has shown any willingness to act in a way which will retain Home Oil under Canadian ownership. The previous speaker dealt at length with what the minister has been doing. He hoped the minister will be successful. During the last week or so questions during the oral question period have been directed to the minister on this subject; yet the minister has not explained in any way, shape or form just what is going on or what he hopes to do.

Some hon. Members: Hear, hear!

Mr. Horner: We have sat patiently for two hours this evening watching the minister flit in and out of the House. I expect he will make a speech some time this evening. It would have been a much better debate if the minister had been the first or second participant. Then, we would have known what the government intended to do. But, no, the minister did not do that. I can only conclude that the minister's position is rather weak. He must be quite defenceless against these arguments. He does not want anybody to follow him in the debate. He wants to be the last speaker so he can truthfully say that, after he spoke, nobody made any constructive suggestions; that the opposition had nothing constructive to offer. That is not a good excuse.

The government possesses the facts. It knows who owns the shares, what shares are holding shares and which ones are not. It knows the details of the deal. It is in the best position to recommend some action and to lay before the House the facts of the case. The other day the Prime Minister (Mr. Trudeau) asked the hon. member for Calgary North (Mr. Woolliams), "What would the opposition do?" He seemed to be devoid of ideas. That is how it often appears to me. To me, the government is not displaying leadership. This is a weak government, without imagination; it is not a government that can lead the Canadian people and offer them guidance.

What has been going on in the oil industry during the past number of years? It is plain to anyone who knows the oil industry in this country that that industry needed a large amount of investment capital. One cannot overemphasize the fact that investment in the oil industry involves high risk capital, as anybody who has read Carl Nickle's periodic oil report from Calgary will realize. That report keeps on saying that the oil industry faces uncertain times as the result of federal government tax policies relating to oil exports, and as a result of the federal government changing the rules and regulations applying in the north. I see the hon. member for Northwest Territories (Mr. Orange) present in the House; he

knows what is taking place in the north. He knows that the oil industry faces uncertainties.

Mr. Orange: There have been certain changes.

Mr. Horner: The hon. member can make his own speech. His voice is probably in better shape than mine. He knows that the oil industry is not particularly happy about the changes which have taken place. He knows that industry has lost a great deal of money; I expect he also knows that Mr. Brown of Home Oil lost substantial amounts of money in the far north as the result of oil exploration.

An hon. Member: In Alaska.

Mr. Horner: In Alaska, certainly. I ask, were they encouraged to go into the north? They were not encouraged. The whole industry is in a state of flux. I know the minister went to Denver and made his famous speech, and now the Americans are saying, "Fill your pipelines with Canadian oil. They are saying this because of the situation in the Middle East and because the Arabs want to dictate the price and quantity of oil moving to the western world. That is why the Americans want to fill their pipelines with Canadian oil. It is not because the minister went down there and made a speech in which he severely chastised them for their actions with regard to Canada.

• (10:10 p.m.)

There has been a great deal of talk about the supply of oil in Canada today. There is no doubt about what the white paper will do. I wish to quote from a recent speech of Mr. Robert Bryce which appears in "Canada Month":

> Why be upset? asks the former deputy-minister of taxation, Robert Bryce. As he explained in a speech to the civil service, private savings will not be dissipated by the White Paper; they will merely be replaced by public savings.

I suppose this is what the government expects when they start the new company, the Canada Development Corporation. However we must hearken back to what the minister said when he introduced that bill in the House. He said the Corporation will not be used to buy back Canada and it will not be a Corporation of last resort. One wonders how it would help in this particular case. Perhaps the minister will have some enlightening news. Perhaps he has encouraged Panarctic to buy Home Oil.

The whole question of providing leadership to encourage Canadians to own their own resources must be balanced with the question of available money and priorities. Politicians have been talking about priorities for many years. I quote from today's Ottawa *Journal:*

> It will cost the federal treasury about $31.5 million during fiscal 1971-72 to maintain the National Arts Centre, the National Film Board, the National Library, the National Museums and the Public Archives.

I am not saying that money should not be spent. However, here we have a resource, the last major Canadian oil company sliding out of our hands. What efforts are we making? The minister can say that money does not grow on trees. He can say we do not have $10 million because we must spend $31 million on other things. An article in the same paper is headed:

> Language Training To Cost $8.8 Million

It all boils down to what we really think is important. Do we think that Canada's resources should be exploited by companies to a greater extent than they already are or do we think that we can own Canada to any real extent and reap the benefits of these resources by allowing them to slowly slide away? We have to get into the question of regulations and other methods the government can adopt. I quote from an article in today's *Globe and Mail*:

> According to industry and federal sources, existing tax regulations squeezed Home Oil to the point where it cannot but accept a helping hand from the U.S. oil company.

It is a pretty sad situation if we are so madly in search of money that we have to force the last major Canadian oil company out of existence. The doubts about the white paper on taxation has been around for too long. The minister should have clarified the position a long time ago. When asked about certain aspects of the white paper, the minister said the committees were still studying it and he could not say what portions would, or would not remain. Both the committee of this House and the Senate committee have completed their examination of the white paper and made their recommendations to the minister. It would be very easy for the minister to say that certain portions of the white paper will not be implemented. He could have done that six months ago. He could clearly state what he is going to do with the capital gains tax. This also could have been stated six months ago when the committees brought in their recommendations.

The minister has allowed the country to remain in an atmosphere of uncertainty whereby Canadians are not encouraged to invest in Canadian primary industry. When in Saskatchewan last week, the Minister of Industry, Trade and Commerce (Mr. Pepin) stated that perhaps we need more Crown corporations in order that enough jobs will be created. Maybe that is what the Minister of Energy, Mines and Resources (Mr. Greene) has in his hip pocket. If we wait long enough tonight, maybe we will hear about it. These things should have been said some time ago. I personally, do not believe the government cannot employ everyone in Canada. I think the people have to use their own initiative in this country as they have in the past. Last year the Department of Regional Economic Expansion spent $98 million to create a little more than 15,000 jobs. This gives some idea of how much the government can do in that regard. Compared to the 668,000 who are unemployed today, 15,000 or 16,000 jobs is a pretty small drop in the bucket.

The government is not doing enough to encourage Canadians to invest in this country. It is encouraging Canadians to withdraw their savings and put them somewhere else. They will invest in foreign corporations or spend their money on some other aspect of their daily lives. This is a deplorable situation. Canadian corporations have been encouraged to make less profit. In fact, the corporations have made less profit in the last year or

so. This has created a situation where the money is not being ploughed back into the industry. They have only earned enough for operating cash.

In a young and growing country, a situation should be created whereby it is not a sin to make a profit. If that profit is ploughed back into raw materials and resources, it will create more jobs. It is interesting to note that in some of his rare moments, the Minister of Finance (Mr. Benson) has recognized the fact that profits are not a sin. When he introduced the Canada Development Corporation bill, he said it was for the purpose of investing in companies to make a profit. I understand that the Canada Development Corporation will not be subject to income tax.

We cannot allow companies to make a profit and then take away nearly all that profit through some severe sort of taxation. The companies will flounder and sell out to American firms which get a better tax break. Many Canadian companies are moving their head offices out of Canada because of our tax laws. One member who spoke earlier mentioned international and multinational companies; but it would be a tragedy if the head offices of all these companies were outside Canada. More than one company has moved out. They prefer to pay a 15 per cent tax rather than a 50 or 60 per cent tax.

I will itemize what this government has done wrong in so far as the oil and gas industry is concerned. It has tightened and discouraged the forming of large amounts of investment capital; created an uncertainty with regard to the depletion allowance, and changed the regulations in the north, thus causing great uncertainty. The minister's speech in Denver about the oil and gas industry caused such a kerfuffle that the minister had to go to Calgary to pacify the industry and tell them he was really not that bad a person.

• (10:20 p.m.)

Then again, included in the white paper is the suggestion that there should be a capital gains tax, something which would discourage investment in Canadian corporations. Also included in the white paper is a proposal for an evaluation tax on shares. In my opinion, this is an unworkable suggestion and one which will not be implemented, but the minister has not yet wiped the slate clean in this regard. So, the government has proposed a number of things which have resulted in takeovers of companies in every sector of our society and it is time they were put on the mat for their actions in this regard. Canada cannot become the great country it is capable of becoming unless we state a goal and lay down national rules under which the country can develop in an atmosphere of security for investors and of reward for effort. In these circumstances, Canadians would be encouraged to work to save so that they might be in a position to make a greater investment in Canada in the years ahead.

Mr. Martin P. O'Connell (Parliamentary Secretary to the Minister of Regional Economic Expansion): My remarks this evening will be brief, but what I want to say will be in support of the thesis that in no circumstances should we permit the sale of Home Oil to foreign interests. The debate this evening comes at a most opportune time in that it permits the House to give some guidance to the government in a serious dilemma. The dilemma arises partly from the fact that the owners of Home Oil have done nothing wrong. They have broken no laws and there is no legislation to prevent them from selling their company to foreigners. There are no guidelines yet in place. So, the debate comes at an opportune time to enable us to express some views in this area where policy has not yet emerged. As most of us understand, I believe, it will be some months yet before the government is in a position to discuss or to publish guidelines with respect to foreign takeovers. It is incumbent upon us, therefore, to speak our minds on this particular issue and I, for one, find no difficulty in expressing my views.

I should like to allude to what I believe to be a major concern in the minds of people across Canada. This is the concern that in many areas of national life some things are running almost beyond control. I think this feeling is true with respect to pollution. The chemicals being put into the air and the water are so numerous and so complex that we may be going beyond the point of no return. A similar fear arises with respect to urbanization, and the same feeling affects people in connection with the technological revolution, that things are running beyond control and that Parliament is unable to cope with them. I believe we find this feeling, too, over the question of foreign ownership. There is a growing fear that by failing to take the necessary steps when they are clearly called for we are permitting the situation to develop past the point of no return. This becomes a more pressing question for all of us as we stand on the verge of a scientific and technological revolution, the consequences of which we do not clearly foresee.

What concerns people is the thought that we might look back in ten years time and realize that by failing to take steps when we had the opportunity we had gone so far in allowing control of our economy to slip away that we could not reverse the direction of events. This feeling finds its way into the debate on Home Oil, and it will find its way into debates on many other questions involving foreign takeovers since people will see in each particular instance the general spectre of events running out of control, with machinery not yet in place and with a Parliament which does not seem to have the will to take the necessary action.

Some hon. Members: Hear, hear!

Mr. O'Connell: We, in this House, are responding to that sort of feeling in the country, but this is not enough guidance in itself for a government which has to take responsibility. And simply to express feelings of this kind would not be a substitute for guidance in this particular case. There would have to be other solid reasons for doing what I suggest to the government that it ought to do.

First, whatever is done ought to be consistent with whatever long term policy is likely to emerge. I think the denial of the sale of Home Oil would be consistent with long term policy. We cannot, however, simply deny the

sale, particularly when the major owner is understood to be in financial difficulty, as perhaps was done in the case of Denison, without being prepared to give him an alternative. If we cannot find an alternative Canadian buyer for Home Oil I suggest to the government it should make a fair and reasonable bid for Home Oil and be prepared to purchase it.

Mr. Lambert (Edmonton West): Under what statutory authority?

Mr. O'Connell: There are several instruments in the Crown corporation field which could take on Home Oil. However, I do not think it would be good policy for us to suggest that this is the sort of thing the CDC should be expected to do. Very likely the CDC would be in a position to make a bid for Home Oil. I hope it would be. But it is not for the government to purchase an oil company and then press it upon the CDC. This would only confirm the fears of many persons that the CDC would be a basket for the dumping of companies purchased under political pressures. If we are prepared to purchase Home Oil, as I think we ought to do, we should be prepared to manage it as a public company. We should also be prepared to sell it to private Canadian interests if a good deal can be made, or be prepared to offer it to the CDC without any pressures.

It would seem to me that Panarctic Oils is a natural vehicle. I hope the minister is already in touch with that company with a view to keeping it advised of the situation and offering it the facilities of the government, financial and otherwise, to make a decent bid for Home Oil. Majority control of Panarctic does not lie with the government, and if that company appears not to be interested, then Eldorado Mining Corporation is another natural company in this energy field. I hope the minister would use his influence to bring about the purchase by Eldorado of Home Oil.

There is no question that if the Canadian people come to own Home Oil they will have made an excellent purchase. It is a good company with good land and good oil reserves. It is not the company which is in difficulty but the owners. It has an international reputation and would be able to maintain itself in the international field where it has a demonstrated record of success. We would not be buying an enterprise as an act of last resort. We would be buying a viable, successful Canadian company which could become the building block or the cornerstone for a publicly-owned oil concern. We need a national or multi-national company in this field. We need to compete internationally in all spheres, not only in the resource field, though I think this would be a natural base for competition. I repeat that there are suitable vehicles available. But I do not believe in pressuring them into a purchase. If they are unable to bring themselves to a decision, then we should make it a separate government-owned Canadian company.

• (10:30 p.m.)

It seems to me that behind these proposals is a necessary decision on the part of the government. It is one thing to try to encourage Canadian companies to purchase Home Oil; but if the owner finds a better deal elsewhere, then in the normal course of commercial practice he will accept the deal. It is one thing to suggest that Eldorado, Panarctic, Polymer or some other company in which the government has a major interest should get in touch with Home. But behind such a suggestion ought to be a clear pronouncement on the part of the government—I am prepared to see the government make such an announcement; some hon. members of the opposition are not—that under no circumstances will the government permit the sale of that company to foreign interests. I think that is the foundation block on which all other negotiations have to take place.

Some hon. Members: Hear, hear!

Mr. Nowlan: What does the minister say.

Mr. O'Connell: My hon. friend will hear from the minister later on. From what one understands, the minister has been doing a remarkably sturdy job in trying to bring about a resolution of the matter.

Mr. Lambert (Edmonton West): Pure faith.

Mr. O'Connell: It is not pure faith at all. He has been trying to bring about a resolution of this dilemma in the voluntary way by finding Canadian buyers. This is the right way to go about it. It is true that we have a precedent in the Denison case, but that is a precedent which, I am sure we will all agree ought not to be repeated if it can be avoided. It is not good government policy to step in, in a retroactive sense, and deny the sale of a company. In some rare instances there is no time to wait for the policy that is coming forward, no time to wait for legislation, and in those circumstances I think the government has to weigh all the matters in balance. I think the government is doing this, and that the minister is doing the right thing in making every possible effort to resolve the issue.

What I am trying to say to the minister and to the government is that if those efforts fail, then I think the sense of the country is that we should take the next step and say that the company will not be sold abroad. Then, if we cannot find a consortium of Canadian companies to come forward, we will have to operate the company through the government's system.

Some hon. members had something to say about the north, but I do not want to get far into the question of the importance a company like Home Oil would have as a policy instrument in the matter of northern oil exploration and development. Canadians do want a vehicle of this kind; they want an opportunity to participate in resource development. They want this vehicle to reside in a successful company of which they can be proud.

It has been suggested that the regulations regarding development of the north should be changed because some uncertainty may have been created. There are billions of dollars going into northern exploration. Northern exploration has not ceased. The policies relating to exploration of the north were set in 1959, 1960, 1961 by a previous government. It makes no sense to have stayed with those regulations after Prudhoe Bay, and I agree it

is time they were changed. I believe that a company like Home Oil would be very suitable as a company participating in leasing, and leasing competitively, in the Canadian north. I would go further and say that a crown owned company ought to have devolved upon it a certain percentage of all the Crown lands that revert when one leases. That is taking a major step, and I would go that far.

The effort made by some members of the opposition to discuss the white paper on taxation is a subterfuge to conceal their policy. We have to face this question of what to do about Home Oil, and face it now.

Mr. Alkenbrack: Then, face it.

Mr. O'Connell: I will, and I should like to hear your suggestions too, Sir. The point about the north—if I have a few moments left, Mr. Speaker—is this: Many members of the House realize that it is the normal practice, when a discovery is made on a permit area, that one-half the permit area reverts to the Crown. In the area south of the 60th parallel these leasehold Crown lots are sold at auction to the highest bidder, and current revenue goes to the provincial government in that sense. But this has not been the practice followed in the north. In the north, the practice has been to permit the discovering company to take on the rest of the land that has reverted to the Crown by paying higher royalties for it. That means, in effect, that we forgo current revenues in the interests of future revenues through the royalty system. It seems to me it is time that system was changed. If indeed we run the risk of forgoing current revenue for the sake of future revenue, then we also ought to cover such risk by having an equity position through a company like Home Oil or Panarctic in the action that is taking place.

For a number of reasons similar to this, I find it wise and proper for the government to make up its mind to prohibit the sale of Home Oil and to make its best effort to find a Canadian purchaser. Failing that, it should purchase the company itself; and if it is necessary to do that, then there should not be the presumption that the company will be forced into the CDC. In my view it should be offered for sale to private Canadian companies, or to the CDC if, in the end the CDC turns out to be interested in the company.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I would be quite happy to relinquish the floor to the minister of Energy, Mines and Resources (Mr. Greene) if he feels like participating in the debate. I think that the two speeches by members of our party so far have made our point very well, namely that this is an urgent matter. We even have some members on the government side of the House agreeing with us that this problem is urgent. I commend the hon. member for Scarborough East (Mr. O'Connell) for some of the points that he made. I think he spoke good, common sense and it is obvious that he is very concerned about the matter. I suggest, though, that the members the parliamentary secretary will have the most difficulty convincing are the members of his own party. He does not have to convince us, because we are already concerned.

Possible Takeover of Home Oil Company

In the past, we have suffered from a deficiency in Canada of capital, expertise and technology in the handling of our own oil industry, but I do not think this is any longer true. The market in Canada for oil is increasing, the same as it is everywhere else. Other speakers earlier this evening placed on the record how oil consumption has increased and what demands in the future will be, so I will not go into that again. I would suggest that we have sufficient capital, expertise, technology and markets in Canada to handle Canadian oil. We should concern ourselves and gear ourselves to this end. As I read the Canadian political scene at this moment there appear to be three things more important than all others about which Canadians are concerned.

• (10:40 p.m.)

An hon. Member: Where are they published?

Mr. Thomson: Where are they published; they are published probably by a United States owned Canadian publishing company. This is foreign ownership. Secondly, and I do not list these necessarily in the order of importance, Canadians are concerned with unemployment and thirdly they are concerned with pollution control.

I think all parties in Canada should assist in suggesting means to accomplish or discover solutions to these problems. Hon. members in this House should not merely say what the government has done or has not done. We should contribute ideas which will help to control or help the situation.

I am very concerned about the issue being debated tonight. I feel a little bit like a pauper in the land of my birth. I wonder if I can call my soul my own.

Mr. Greene: Has he got one, Stan?

Mr. Thomson: I suggest that much of the control by foreigners in Canada has come about under the aegis of Liberal governments past and present. I do not think hon. members opposite can make any excuse for this fact. Certainly in the last few years, during which we have improved our technology and increased available capital in this nation, it seems to me that Canadian laws have made it easier for foreigners to own businesses in Canada than Canadians. It is high time we did something constructive about this situation.

Oil companies are being purchased by United States companies which want to make a profit here. Large companies are being purchased by United States interests. When are the ministers going to do something about this situation?

An hon. Member: When are they going to start?

Mr. Thomson: I can just envisage how Canadians will be in a few years.

An hon. Member: Soon we will have United States ministers performing funerals.

Mr. Thomson: Can't you see Canadians owning nothing else but a plot for his grave attending a funeral being performed by a United States firm?

That Canadian body will be carried to the undertaker's parlour in an automobile manufactured by a United States firm, using oil produced by a United States firm with the services being read from a book manufactured by a United States owned company.

An hon. Member: What about the pallbearers?

Mr. Thomson: A minister said yesterday that the Liberal government will take care of unemployment and will take care of this takeover by foreigners. Hopefully that poor Canadian will have six feet of Canadian soil which he can claim as his own, but the way things are going today he will likely have to be cremated because he won't even own that.

An hon. Member: What about the pallbearers?

Mr. Thomson: I suggest a Canadian owned firm should have Canadian interests at heart.

An hon. Member: I wonder how much further you are going to go.

Mr. Thomson: It may be that the Canadian owned firms are efficient, but I think it would be to our interest to have a strong and viable Canadian firm producing oil in Canada.

There is an advantage to Canadian owned companies. While some companies may have international co-operation with international companies, when they are owned by someone else they do not necessarily have Canadian interests at heart. It is in our interest to have at least one Canadian firm in the oil producing market, and I think it is high time we took some steps to see that this is the case.

The hon. member for Etobicoke (Mr. Gillespie) made some comments.

An hon. Member: You mean the hon. member for coke.

Mr. Thomson: I had in mind the hon. member for Etobicoke, coke, or coal, but he listed promises in connection with the immediate situation. We do not need a list of these promises or problems which exist as we know them already. He made some minor suggestions in respect of solutions. He suggested we needed more legislation. I suggest he inform the minister that the government is responsible for providing legislation.

Does the hon. member for Etobicoke suggest that we as members should provide the government with ideas by means of private members bills? Does this government have no ideas of its own? I suggest that the government should accept some responsibility.

There are two oil fields in my riding and it may well be that I should have provided some ideas by means of private members bills in order to solve some of these problems. I plead guilty if that is the case. I will give some thought to this idea. There does not seem to be many ideas forthcoming from members on the government side.

Some hon. Members: Hear, hear!

[Mr. Thomson.]

Mr. Thomson: At the present time I am considering a private members bill in respect of another field. It involves a serious matter. Perhaps while I am considering it I should take a little bit more time and provide the government with suggestions in respect of solutions to this oil problem.

The hon. member for Scarborough East (Mr. O'Connell) suggested an immediate problem with which we must deal. One of the reasons it is an immediate problem is that the government has had no policy.

I scold the government for not developing a policy to deal with this problem which now exists.

Mr. Deputy Speaker: I recognize the hon. Parliamentary Secretary to the Minister of Labour (Mr. Perrault).

Some hon. Members: We don't want Perrault, we want Joe.

Mr. Perrault: Mr. Speaker, I hope that the opposition will endeavour to develop the virtue of patience and understanding during this debate.

Mr. Alexander: You are confusing us, so carry on.

Mr. Perrault: No one underestimates the importance of this debate.

An hon. Member: Don't speak in your usual whisper.

Mr. Perrault: This matter is of major concern to government members as well as to the hon. members on the opposition side of the House. All of us are concerned with ownership of industry in Canada now and in years to come. Probably no other subject occupies the mind of the public more than the question of the degree of foreign ownership of Canadian resources and industries which may be desirable.

I am one who believes that every effort must be made to maintain as much Canadian ownership as possible. I endorse some of the constructive statements made by my colleagues in respect of proposed methods to be employed to maintain Canadian ownership.

An hon. Member: Hip, hip hooray!

Mr. Perrault: I have listened with amusement—yes, amazement—

Mr. Alexander: Here it comes now.

Mr. Perrault: —to some of the ideas advanced with ardent nationalistic enthusiasm and fervour by our friends opposite.

Some hon. Members: Hear, hear.

Mr. Perrault: Especially the remarks of certain opposition members from Saskatchewan.

An hon. Member: They are the only ones who have spoken.

Mr. Perrault: Some have stated with pride that they have oil wells in their constituencies. Almost none of them were brought in under the auspices of the CCF-

NDP when that government occupied the seat of power in Saskatchewan.

Some hon. Members: Louder, louder.

Mr. Perrault: Both official opposition members and members of the NDP have read to members of this House a stern lecture about the need to protect our resources.

The leader of the NDP said to the House "there can be no excuses . . . we want action. . . .it's not good enough to say we haven't the power". I recall his words when he said to us in a thrilling and stirring appeal to nationalism: "our national resources are important. We can't stand by and watch foreign investors suck all of our resources from us".

• (10:50 p.m.)

An hon. Member: Amen, amen!

An hon. Member: Hallelujah!

Mr. Perrault: Some hon. members have that prairie fervor tonight, Mr. Speaker. And we on this side want to bring them up the sawdust trail of conversion to our thinking. That is all. The big tent is out. When the Socialist party came to power in Saskatchewan, two major oil companies were engaged in developing oil resources in that province. They had high hopes of spending millions of dollars in order to develop the oil resources of that province.

Mr. Alexander: We want Joe.

Mr. Perrault: The CCF proceeded to try to force upon one company—Imperial Oil—a contract to which the company would not agree. The company quit the province and went to Alberta. That was the first step in the Socialist party's oil development policy in the province of Saskatchewan. One down and one to go.

The other major oil company in that province, Bata Petroleums, was a Saskatchewan company with 24,000 Saskatchewan shareholders. The company had drilled—and this evidence is on the record—more than 30 wells and its discoveries included natural gas, potash and salt. The Saskatchewan members—they were there. The company established a gas service in the town of Unity and started a salt plant. Then the government marched in, confiscated the books, locked the company's doors, laid a charge under the Securities Act and began an investigation. And it was two oil companies up and two down. The Bata Company was exonerated of all charges but when its books were returned it found that one million acres had been confiscated by the government and that the company was relegated to a position where it could not borrow and was virtually bankrupt. This was the first oil development policy of our Socialist friends in Saskatchewan. Then, in 1948, the Socialist party in Saskatchewan decided to get busy because oil was being found in Alberta and Saskatchewan did not want to be left behind.

In 1948 the government of Saskatchewan in the third phase of its "oil policy" released 36 million acres of Crown land for petroleum exploration. Then a great and good friend of the government appeared on the scene. I refer to a Montreal businessman named Mr. Rhubbra. He appeared with his securities company. He obtained by permit from the government 14 million acres of gas and oil reserves at a cost of one-tenth of a cent an acre. What a bonanza for the people of Saskatchewan. Then this private company demanded a 2½ per cent royalty on every dollar's worth of oil that was found anywhere on the company's 14 million acres. Some companies were forced to accept these terms. The 14 million acres controlled by this Montreal-based securities company in 1949 constituted nearly all the remaining acreage available for oil exploration in Saskatchewan. Companies genuinely interested in undertaking development work were forced to do business with this private securities company set up by the great and good friend of the CCF Socialist government of Saskatchewan.

According to information given to the Saskatchewan legislature, this private securities company paid to the provincial government a fee of only $9,000 on nine million acres. Is this the kind of policy that we want to inaugurate in Canada? Should this be the type of beginning of the new era of oil exploration in our nation? Do we want this Socialist formula applied coast to coast in Canada? I see some opposition Saskatchewan members nodding their heads. They still have not learned their lesson. After holding these nine million acres for two days, they were—the record shows—transferred to the U.S.-controlled Tidewater Company for a cash payment of $25,000 and an overriding royalty of 2 per cent on all gas and oil discovered in the area.

In addition, the securities company secured an overriding royalty on 1,550,000 acres held by U.S.-owned Sohio Oil Company and some other undisclosed consideration. So much for part of the record of the CCF-NDP in the matter of oil development. Yet, this is the party which has been chastising us this evening about our failure to protect the resources of the Canadian people. Yet the fact is they have a most shocking record of dereliction of duty when it comes to developing the oil lands under this control. The fact of the matter is that the oil companies in that province were stung by government bureaucracy, loaded with excessive taxation. They threw in the sponge. Until a change of government came about, exploration for gas and oil reserves in the province ground to a virtual halt. Regardless of the protestations of ardent economic nationalism we have heard from the NDP tonight, both the premier of Manitoba today and his national leader when he was premier of Saskatchewan haunt and haunted the canyons of Wall Street to borrow money for government enterprise in Manitoba and Saskatchewan. They are and were on first-name terms with all major U.S. financial corporations. Look at the record of U.S. borrowings by Manitoba since the premier was elevated to that position. The NDP-CCF record was the same in Saskatchewan. We should not be playing politics in this debate.

Some hon. Members: Hear, hear!

Possible Takeover of Home Oil Company

Mr. Perrault: We should not be invoking ghosts of the type which our friends on the other side have been invoking this evening. They have been saying the government in some way is going to allow the American bogey man to take over a major Canadian oil company. In actual fact, when they were entrusted with government they negotiated extensively with that same United States industrial power which they so freely criticize.

Mr. Alexander: I insist on hearing Joe.

Mr. Perrault: I will not prolong my remarks.

Mr. Alexander: Good.

Mr. Perrault: There is much more I could tell about the record, but time does not permit. This is an important debate.

Mr. Knowles (Winnipeg North Centre): It was.

Mr. Perrault: As members of all parties we must act to ensure continuing Canadian ownership of this company. If this means government ownership of the company or government participation in the company—and there are no other alternatives—then I favour consideration being given to these measures and I believe many other members of the House support such action. But let us not cloud the basic issue with the type of spurious comments advanced by some on the other side who suggest that somehow the rumoured sale is linked with the white paper on tax reform or that it is a "sell-out" to United States "interests" and that there is a "plot afoot". Canadians from coast to coast are becoming increasingly concerned about the degree of outside involvement in and ownership of some of our basic industries. This is an important question before us. Let us not cloud it with other spurious considerations.

• (11:00 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we would certainly have liked to have heard the minister, particularly since I am now informed he has already spoken on television about this problem. He has, in fact, acted in complete contempt of your opinion, Mr. Speaker.

Mr. Orange: Nonsense.

Mr. Lambert (Edmonton West): I would like to see the hon. member for Northwest Territories (Mr. Orange) speak from his seat and bring some light on this subject, rather than stand behind the curtain and say "nonsense".

Standing Order 26 reads:

...for the purpose of discussing a specific and important matter requiring urgent consideration...

On examination of the proposal put forward by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), Your Honour decided this matter to be important and urgent, and that it should be brought on for immediate consideration. Yes, members on all sides of the House have demonstrated so far that they would like to see a solution, but the man who has the most information on hand, the man who has all the knowledge of the dealings, who has been in contact and perhaps acting on behalf of the government, has chosen to remain silent. He can remain silent and sphinx like until six o'clock in the morning.

Mr. Green: Like Solomon.

Mr. Lambert (Edmonton West): No, sphinx-like. Solomon spoke and acted. The minister decided to let this debate go forward. We have heard scholarly exercises in economic nationalism, try-outs for a debate next week on the CDC when some people will essay their wings of economic nationalism. A number of proposals have been put forward that the government should act and buy Home Oil. I would simply ask the hon. gentlemen who made that proposal, under what statutory authority would the government do so? What act would allow them to put forward the first dollar to purchase the company as a buyer of last resort? Even if they did suggest that some of the Crown corporations could buy Home Oil, have any of those Crown corporations the legal power to so act?

Second, if any of those Crown corporations have the personnel who know anything and who could act in a managerial capacity, is there authority for those companies to borrow money from the federal government if that were deemed to be the avenue of approach? These are just wild guesses. I would have thought that when the parliamentary secretaries were making this proposal they would have verified whether or not that course would be possible before bringing it forward for serious consideration. This is why perhaps the minister should have been the second person to speak tonight, when he could have given the information and we could have discussed the matter perhaps a little more intelligently than we are doing now.

I must confess that in many instances I am relying on newspaper reports, conjectures, and information that I can gather here and there. But the minister is the man who knows, and I place the full responsibility on him for this continuing debate which has gone far beyond the time that it should because he has refused to say anything. Yet, I am told that he has spilled his heart and waxed eloquent before the television cameras. Sure, he had to make the eleven o'clock news; that is why we had these disappearances from the House.

Now, I want to deal with a few of the proposals that have been put forward. The hon. member for Don Valley (Mr. Kaplan) spoke about purchase by the government. I ask, where, how, and by whom? Then, the CDC was mentioned. I presume that the hon. members who have referred to CDC tonight have not read the press release and the remarks in print and on television made by the Minister of Finance (Mr. Benson) in which he said that in no way was this company to be a buyer of last resort. Are they going to tell the Minister of Finance that he was talking through his hat? The minister will surely tell them on Monday that CDC is not established to bail out any organizations that are in some difficulty or under pressure. These are purchases under duress.

As a matter of fact, there is a question as to whether there is a binding agreement in existence at present. Only the minister could tell us that. A veil of secrecy has descended to the point where, in fact, Mr. Brown had to commit a technical breach of the SEC regulations by withholding filing for insider trading in buying additional shares of Home Oil. According to the press, he tells us that he was under instructions of the government of Canada, not of the United States, not to make the disclosures and not to speak about his dealings and negotiations. That is something that we want to be cleared up.

Next, I should like to come to the questions which I wish to examine in this particular matter. First, we want to know whether there is a binding contract or a projected sale. If there is a binding contract, then the remarks of the hon. member for Scarborough East (Mr. O'Connell) in which he deprecated the action of the government with regard to Denison Mines would have full application in this instance. If there were a binding agreement,—was it last week or a month ago that Mr. Brown entered into an option agreement to sell—then there would have been that degree of retroactivity which the parliamentary secretary deprecated and he would have to level the same criticism on the head of the government that he levelled against the Denison deal.

Mr. Horner: Mr. Speaker, I rise on a question of privilege which affects all members of the House. We have now gone through three hours and ten minutes of debate on this question during which everyone urged the minister to rise and speak. He has remained silent in the House. However, he went on national television and said that a deal is being made and that he is confident that within two weeks an announcement will be made that Home Oil will remain Canadian. He said that there is no fear and no need to worry. Why did he not say so in the House? By appearing on the national network and by ignoring the concern of members of his own party and of every member of the House which has been expressed during the three hours and ten minutes of debate, he has attempted to destroy Parliament. He has sat there like a sphinx, like a mummy. I could use a lot of other words in the Prime Minister's (Mr. Trudeau) vocabulary, but I am not so well acquainted with them.

Some hon. Members: Oh, oh!

Mr. Horner: This is one more step in downgrading Parliament.

Mr. Speaker: Order, please. The hon. member for Edmonton West.

Mr. Lambert (Edmonton West): I welcome the intervention of the hon. member for Crowfoot (Mr. Horner) because it points out precisely the complaint which I expressed at the beginning. The action of the minister is in contempt of the House and in contempt of you, Sir, because when the matter was put to you this afternoon you judged it to be a matter coming fully within Standing Order 26. Those words were not weighed lightly. Certainly, Your Honour never weighs them lightly. You consider them very carefully, as you should, and today you have done so. Yet, this minister has the ultimate gall to have this House debate the question while he appears on television and spills the beans, tells everyone but this House. Sir, I do not know if there is any purpose in continuing the debate here because of this type of behavior.

• (11:10 p.m.)

Mr. Horner: Arrogant! Arrogant!

Mr. Lambert (Edmonton West): I cannot express in terms that are strong enough my contempt for the minister's action. What is the purpose of such a debate if we get this sort of treatment? I do not know how much the Minister has said. According to the hon. member for Crowfoot, and presumably he has an accurate report, the minister said that the deal is going to take another two weeks and that he is satisfied there is going to be a preservation of some sort of Canadianization, or Canadian quality, or what have you with respect to this company.

We want to know is it actual ownership that is going to be maintained in Canada, or is the operational control going to move to others? Is it the deal that there will be a new board for Cygnus, with four nominees for Mr. Brown and three for Ashland, but the three real operatives being Ashland nominees? Is there a secondary agreement between Mr. Brown and Ashland that he will guarantee delivery at some future time, or within a set period after his death, such shares of Home Oil as will give absolute ownership control to Ashland?

Can the minister tell us what are the obligations of Home Oil under TAPS, the syndicate that is to put a pipeline across Alaska, in which Home Oil has a participating interest? What further obligations has Home Oil got? What is its real interest in Atlantic Richfield? Are the shareholdings of Home Oil in Atlantic Richfield the pot at the end of the rainbow for which Ashland is reaching? What about the remaining 10 per cent that Home Oil has in Trans-Canada Pipe?

I quote from the brief Mr. Brown submitted last June to the Finance Committee examining the white paper, from appendix A-3 to volume 50 of the transcript of evidence, page 198, as follows:

> Home is one of the largest shareholders of Trans-Canada Pipe Lines Limited. Dividends are now received by Home from Trans-Canada tax free.

Home's investment in Trans-Canada Pipe dates back to 1957 when several large blocks of common shares were bought from non-residents bringing Home's interests to 15.7 per cent of the voting shares of Trans-Canada Pipe. One can readily see that Home's interest was that of a major shareholder. What happens to that interest in this deal? Is that protected in any way? What are the special circumstances surrounding the sale? I am not trying to delve into Mr. Brown's personal matters. It is the tax laws of this country which are at the root of most of the sales of Canadian enterprise to foreigners. We heard a litany of other oil companies apparently recited with glee by hon. members opposite who had forgotten the dates of their acquisition by American companies. But all hon. members know that North Star and Canada Oils were

sold as the result of the incidence of estate tax and succession duty taxes.

It is unfortunate that the hon. member for Lotbinière (Mr. Fortin) is not in the chamber because I could tell him that the government of his province, through punitive succession duty laws, has driven Canadians to dispose of their companies before death or, in the event that they were caught unexpectedly, caused their executors to put up their shares at fire sale prices. The same applies to the level of succession duties in Ontario, and then there is the federal government taxation on top of that. One has only to recall North Star which was absorbed by Shell. The same thing happened to Canadian Oils. I suppose one could say to the provinces that they should not levy succession duties, but they do. They have that right. This is where we, as Canadians, have the wrong end of the stick. We think we can live like the prodigal son off the fat of our endeavours, but far beyond our capacity to produce. We want all sorts of frills, but the economic core of this country must do the producing, and we always seem to bleed that core. My hon. friends to my left would not even want it to live. They would kill it.

This economic core is what provides the money for all the things they ask. Of course, the NDP have a shelf full, a nest full, or a bag full of people who are expert in running all these industries that they want to take over. But we can point to certain examples in Saskatchewan.

An hon. Member: What sort of government have you got in Ontario?

Mr. Lambert (Edmonton West): They do not have a great number of Crown corporations, but Crown corporations are not a good example when it comes to dealing with labour, or anything like that. I am not going to make myself an apologist for Crown corporations.

Just compare the high incidence of taxation on Canadian corporate earnings as compared with the situation in the United States, the high taxation on dividends in Canada as compared with the situation in the United States, and the unequal tax treatment given investment in resource development programs in Canada as compared with the United States. An American, not even engaged in the oil business, can invest money here in Canada and get full allowance for it, regardless of whether it is his major source of income. But to Canadians we say that it must be their principal business. The result is that Americans have run circles around us.

Let us look at what Mr. Brown had to say about the activities of Home Oil as recorded at page 50:58 of the committee hearings:

> During the past ten years we have raised $170 million. I submit this is a real achievement for a company the size of Home, and especially so when one realizes that at the same time it has been possible to retain over 90 per cent of our voting shares in Canada. It is also noteworthy to point out that only 19 per cent of these funds were obtained in Canada under relatively favourable tax rules.
>
> Our ability to raise capital in the future, particularly in Canada, will depend to a great extent on the tax incentives provided both to the industry and to individual investors. The white paper proposals would reduce these important tax incentives to the industry. The proposed investment incentives fail to encourage high risk investments by Canadians. Preference is given to investment in low risk, well established companies. Resource investments are further penalized by the proposed tax on capital gains, which will have a relatively greater effect on this form of investment. The high rates of tax proposed for the transitional period would drastically reduce investment in the industry at a most critical time. As you know, exploration in Canada is becoming more costly and more risky as we move to the more remote northern regions of Canada.

[Mr. Lambert (Edmonton West).]

• (11:20 p.m.)

I know that my time is limited, Mr. Speaker. I hope the House will extend to me the courtesy it extended to other hon. members and allow me to finish. We can see the background to this transaction. I trust that after I sit down the minister will stand up and give us the details of what has happened. Since he was satisfied to go on television and say that he is hopeful about the situation, I trust he will tell the House what the situation is. Then we shall be able to judge whether it is possible, in this particular instance, to salvage a company of this nature. I will not cry about economic nationalism at this time. This is neither the time nor the place to do that. But we must have information if we are to embark upon an intelligent debate, and I think the information has been withheld from the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Since the Minister of Energy, Mines and Resources (Mr. Greene) has refused to take part in this debate, and since he has shown his contempt for what is going on here by making a statement outside the House—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —I ask leave, on behalf of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and as his seconder, to withdraw the motion.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member has asked for leave to withdraw the motion. I am not sure whether he can do that on behalf of the mover of the motion who is not in the House at present.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have his authority.

Mr. Speaker: The hon. member says that he has the authority and I do not doubt that. It is still somewhat irregular. At the same time, there must be unanimous consent to allow the motion to be witdrawn.

Mr. Greene: No.

Mr. Speaker: There is not unanimity.

Some hon. Members: Oh, oh!

Mr. Greene: Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh!

Mr. Greene: Mr. Speaker, I have taken the position on this motion, and if I have erred I apologize to the House, that—

Some hon. Members: Oh, oh!

Mr. Peters: The minister has been here long enough to know that he should not make a statement on television before making a statement to the House.

Mr. Greene: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Peters: We will not give the minister time to speak now.

An hon. Member: Why should we?

Mr. Speaker: Order, please. The minister has the floor on a point of order. Perhaps he should be given an opportunity to express himself.

Mr. Peters: Let him do it on television.

Mr. Greene: On a point of order, Mr. Speaker, many speakers wished to speak in the debate. The list of speakers was posted. I thought I would show hon. members and the Chair courtesy by listening to those hon. members who wished to speak. This I have done. This evening's debate was most useful. I thought my purpose in the debate would be most usefully served if I replied to hon. members after they had all had a chance to speak.

Mr. Lambert (Edmonton West): The minister should not have spoken on television first. One does not speak on television before addressing the House.

Mr. Speaker: Order, please. If nobody seeks the floor, the Chair will assume that the motion has been carried.

Mr. Knowles (Winnipeg North Centre): Agreed.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, as I said, I hoped to wait until all hon. members who wished to speak had spoken. I thought that would be the proper procedure. I think all hon. members of this House are equal. I believe that the hon. member for Waterloo (Mr. Saltsman) in his speech referred to the first speaker as the most important speaker. I think all hon. members of this House are equal and I think they all have an equal right to speak.

I ought to explain, with respect to any television appearance I made which appears to concern hon. members, that I stated on television what I stated in this House and what I have stated publicly for some time, namely, that the government is concerned about the ownership of this company remaining Canadian and I am confident that the actions taken by the government and the negotiations taking place with respect to Home Oil will enable Home Oil to remain a Canadian company.

Some hon. Members: Hear, hear!

Possible Takeover of Home Oil Company

Mr. Greene: I am pleased to see that most if not all hon. members, if I understood their representations correctly, are in favour of the position of the government, namely, that this company should remain a Canadian company and that such action as is necessary should be taken in order to ensure the maintenance of this company as a Canadian company.

Some hon. Members: Hear, hear!

Mr. Greene: Since I was not in the House during the question period today, I understand from reading what is to appear in *Hansard* that the basis of this motion is a newspaper article which was specifically referred to by the mover of the motion and by many hon. members tonight. The facts in the newspaper article are based on three premises appearing in three different places. The first basis for the article is the wording in the first paragraph. It states, "according to sources in Calgary and Ottawa". That was the first basis. Secondly, it states that an officer of Home Oil, unnamed, was the source of this article. Farther down it states, "according to industry and federal sources." Those are the sources for this article.

It is on such a flimsy basis that this motion is moved. I think hon. members have the responsibility of giving to the Chair their authority; they ought to check their facts in respect of that authority. Frankly, I do not know how hon. members can ask the Chair, on the basis of a newspaper article which is based on three unknown sources, to take up the time of the House with a motion like this.

An hon. Member: Why did the minister not give us the facts?

Mr. Greene: The Chair, of course, takes the representations of hon. members as fact. The Chair considers, I suggest, that these facts have been checked. I do not intend to answer allegations contained in a newspaper article; that would constitute a most reprehensible precedent for this House. It would be most reprehensible if under Standing Order 26 a motion could be moved requiring government members to answer allegations contained in a newspaper article. I can say to my hon. friends that there are many inaccuracies in that article and it is unfortunate that they did not see fit to check with me before bringing a motion under Standing Order 26 and taking up important time of the House.

Some hon. Members: Hear, hear!

Mr. Greene: I will now try to answer some of the queries and questions posed by my hon. friends on both sides of the House. I wish to point out to hon. members that I cannot, and do not, intend at this time to make a full statement on everything that has gone on with respect to the negotiations concerning Home Oil. I have a very heavy responsibility in this respect, which I am carrying out to the very best of my ability. It is my responsibility to see that this company remains Canadian, which is what hon. members have been urging. I am confident that we shall achieve this result.

I have for some months been speaking to and negotiating with various parties, Canadian and non-Canadian, to try to achieve that result. Those negotiations have been confidential. I have treated them as such. I must say that every one of the private parties with whom I have dealt and spoken has dealt with me most honourably and candidly and has maintained, in confidence, the hope that the transaction would be satisfactorily settled. If I am to continue to play a useful part in bringing about the result that hon. members profess to desire, namely, that this company shall remain a Canadian company, the dealings I have had must be maintained on the basis of confidentiality.

I am certain that hon. members are sincerely desirous of achieving the hoped for end result and that they do not wish to play politics with this issue. If they are desirous of the end result, namely, that this company shall be retained as a Canadian company, they will understand the delicacy of my position. When success is achieved, as I hope and believe it will be, with the consent of the parties with whom I have negotiated in good faith and confidence, I shall be able to make to the House as full a statement as possible. But that can only be done with their consent. I hope hon. members will bear with me. I will disclose as much as I can as many facts pertaining to the negotiations as may be disclosed and put on the public record without a breach of confidence. I hope that will assure hon. members who have expressed a very valid concern about this company.

• (11:30 p.m.)

With respect to the questions asked, there are many which I do not think hon. members would want me to deal with at this time. Those on the white paper were forcibly and ably presented, as is always his way, by the hon. member for Calgary North (Mr. Woolliams). They would be better dealt with when the tax measures come before the House. If I have opportunity to take part in that debate vis-à-vis resources, I will be pleased to try and answer his questions on the white paper at that time.

The hon. member for Waterloo (Mr. Saltsman) made a powerful and cogent argument with respect to building a pipeline to Montreal. I can establish very effectively that such a pipeline would not be economical. It would either mean that we would impose higher product prices on the consumers in Montreal, which I do not think the hon. member or his colleagues would want or, alternatively, we would foist upon the people of Canada the cost of a pipeline that is not profitable. If it were profitable under our law, private interests would have made application to the National Energy Board for building such a pipeline. Either the consumers of the Montreal area or the Canadian people as a whole would bear the uneconomic cost of such a pipeline. I do not think it would be in the public interest. This may be a side issue. I am trying to answer some of the direct issues.

The leader of the New Democratic Party made a very strong argument. He has been very keenly interested in this issue from the start. I regret that I have not been able to keep him and others concerned posted on a day-to-day basis with regard to negotiations in respect of my dealings with the private parties who are concerned.

However, I think hon. members will understand that had I done so, my usefulness in bringing Canadian buyers into this picture and hopefully enabling an end result where the company would remain Canadian, would have been at an end. I say with candor and respect that this is not one of those cases where I could keep the House fully informed, though no one respects this House more than I do.

Mr. McKinley: On a point of order, Mr. Speaker. Having been in business for some length of time, I respect what the minister is saying. I agree with him. However, I do not agree that he should have stated over television prior to this time, that it is his intention to keep Home Oil in Canadian hands. That is all I have to say.

Mr. Greene: If I were in contempt of this House, I can assure hon. members that I would be the first to apologize. I repeated tonight what I stated a week ago Sunday during an interview program. There was nothing new to add. The reporters asked me, as is their way,—

Mr. Lambert (Edmonton West): The timing was cute.

Mr. Greene: I stated to them that I was confident this company could be maintained as a private company through private negotiations which were taking place—and to which, by the candor of the parties involved, I have been made privy. If I were in contempt of this House, I would be the first to apologize. As I had nothing new to add to the story, I did not deem it to be in contempt of this House. I know this is an extremely serious issue. Members from all sides of the House take it extremely seriously.

The leader of the New Democratic Party made three suggestions. They were carefully thought out. I think they are valid and should be answered. He referred to the possibility that legislation could be passed or action taken similar to that of the Denison transaction. I do not have the answer to the constitutional question to which hon. members referred. I am confident that the House does have power to prevent any transfer of property in Canada, constitution or no. It has been my view throughout, and I think hon. members agree, that this would be the last resort.

We operate under a private enterprise economy. There may be some who feel that this is not the best method. As long as we operate under that private enterprise economy, private citizens who are dealing with their own assets should be given the maximum liberty to deal with those assets under the law. I think the rights of property over the years are becoming less vis-à-vis the state. There are zoning by-laws which certainly restrict the ownership of property, there are anti-combines laws which restrict the rights of corporate owners. In the United States, there are anti-trust laws which do the same. Not too long ago, we saw a Canadian company, Labatts, if I recall rightly, being compelled, after they had paid over the money, as I understand it, to renounce the acquisition of a United States brewery they had bought. This was by virtue of the United States anti-trust laws. So in the United States, too, the ability of private

corporations to move is restricted. We have these public rights in Canada, as well, under different laws, but I think hon. members would agree these should be used only as a last resort if the intention is to prevent a private transaction which is carried on in good faith and which is perfectly valid under existing legislation.

The leader of the NDP suggested the government should "bankroll" a consortium of small Canadian companies to buy up Home Oil. Well, the hon. member for Edmonton West (Mr. Lambert) who is learned in the rules as well as in the practice, made a valid point when he commented that this would be difficult under our law. The leader of the NDP did not refer to any specific legislation under which we might do this. I am not personally aware of any legislation by means of which we could bankroll a consortium of small Canadian companies.

An hon. Member: How about the IDB?

Mr. Greene: A third suggestion made was that Panarctic should acquire this company. Well, only 45 per cent of the shares of Panarctic are government-owned. The other 55 per cent are in the hands of private shareholders. The company has a board of directors which operates independently of government. To the best of my knowledge, and I can say this without disclosing any confidences, the directors have not indicated any interest in Home Oil. I do not know why. I do not believe the government has the right to intimate to Panarctic—

An hon. Member: It has a 45 per cent right.

Mr. Greene: It must be permitted to operate with the knowledge of the directors in the best interests of Panarctic. Had they been interested in Home Oil this might have been a possible avenue. However, to date the proceedings have gone in such a direction that I have been confident. I hope my confidence is not misplaced. I do not believe it is. I could be naïve but I do not think so in this particular instance. I have been confident from the nature of the discussions I have had both with the vendor, Mr. Brown, with the Ashland Company and with potential Canadian buyers that we can work this out together in confidence, because that is the only way in which such transactions can be carried out, so as to maintain this as a Canadian company without any legislation being passed which has a retroactive aspect to it. That might be necessary if things go wrong, if I turn out to be wrong as an intermediary of the government and as an intermediary, as I understand it, now, for the will of Parliament, because it is quite clear tonight that this Parliament is determined that the company be maintained as a Canadian company. It is quite clear that members here tonight are very determined that this company be maintained as a Canadian company.

• (11:40 p.m.)

I have with me some of the matters which I can disclose. I do not know how helpful they will be to hon. members, but these are pretty well the limits of the areas I can disclose without breaching confidences which have been reposed in me during the course of these negotiations. I shall give the House some of the facts. Before I do so I think I should clear up the situation about the newspaper article which I think misled some hon. members, though it is difficult to check these things. I think they could have been forewarned by three references in the article to unnamed sources; that should have raised their suspicions. But let me clear up the point for Hansard. I think I have a duty to the House to do this and to put on the record my knowledge of any written agreement or otherwise.

The hon. member for Calgary North (Mr. Woolliams) asked me about an agreement which referred to myself. I know of no such agreement. This agreement also referred to the government preventing the sale which this newspaper article alleges exists. At the time I stated that I knew of no such agreement, but I did know of a document. I am not sure of its legal context, but it was not to the best of my knowledge—I am convinced of this fact—an executed agreement of sale. It was the possibility of a sale, a general agreement that might later be followed by an agreement of sale. I knew of such document—

Mr. Knowles (Winnipeg North Centre): A letter of intent?

Mr. Greene: I do not think I would describe it as a letter of intent. I am not sure of the legal definition of a letter of intent. The document to which I was privy was one which stated terms that would form the general basis for an agreement if one were later entered into. It was, if you like, a preliminary agreement. But it certainly cannot have been the one referred to in the article and referred to in the question asked by the hon. member for Calgary North, because the document that I saw made no reference to myself and certainly made no reference to the Canadian government having a part in the matter at all. Incidentally, although I was told of the existence of such document as I have described, I did not see it until Friday of last week. I think I can safely disclose this to the House now that some of its terms have been made public. So much for the point with respect to the agreement and *Hansard*, which I think hon. members have a perfect right to have cleared up.

There are in fact discussions continuing between Mr. R. A. Brown, Jr., of Calgary and Rabsco Investments Limited, a company associated with Mr. Brown, for the sale of their combined holdings totalling in excess of 50 per cent of the class B voting shares of Cygnus Corporation Limited of Calgary. I should like to make clear to the House, within the limits of what I believe to be proper and as maintaining the confidences which have been placed in me, some of the facts of the situation. Firstly, Home Oil Company Limited was incorporated in 1929 under the laws of Canada. It is engaged in exploration for and production and transportation of petroleum, natural gas and associated substances, with assets of approximately $250 million and an annual gross income of approximately $28 million. It is a leading Canadian independent in the petroleum industry, as hon. members made so clear in their presentations tonight.

Possible Takeover of Home Oil Company

In addition to an active exploration program in western Canada which has resulted in production of approximately 21,000 barrels of oil per day, Home Oil has been active in the United Kingdom, the North Sea, Malta and in Alaska. Home has a large investment in Trans-Canada Pipe Lines Limited, representing about 10 per cent of the outstanding shares of that company, and in Atlantic Richfield Company, which, though substantial in amount, do not represent a significant amount of the total shares issued by Atlantic Richfield.

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister, but I must do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The minister may continue with unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Greene: Thank you, Mr. Speaker, and I thank hon. members for being so patient with me at this late hour. I think that a review of the operations of Home clearly indicate that the views of hon. members as expressed in this House have been very useful. They have been very useful to me and I am sure will be of interest to the government. They are well founded. This is an extremely important company to Canada, and this is an extremely important building block in the oil industry in Canada for the future.

Home Oil Company Limited has two classes of shares outstanding. The class A shares are non-voting under present circumstances. The class B shares are voting stock. There are 4,706,194 class A shares outstanding and 2,295,899 class B shares outstanding, after deducting 275,506 shares held by subsidiaries of Home Oil.

Cygnus Corporation Limited is a holding company incorporated under the laws of Canada in 1964. Simply put, Cygnus holds the controlling block of voting shares of Home, which constitutes one million class B shares of Home, or 43.6 per cent of the class B shares of Home. I am advised that, in the investment community, this is considered to represent effective control of Home. Cygnus Corporation Limited also has class A shares which are non-voting under present circumstances and class B shares which are voting shares. The oustanding class A shares total 1,370,289 and the class B shares total 2,694,374. I am advised that Mr. R. A. Brown, Jr. and his associated company, Rabsco Investments Limited, are the holders of approximately 50.4 per cent of the class B shares of Cygnus. Accordingly, I believe it will be clear to the House that the class B shares of Cygnus control the class B shares of Home Oil, which constitutes effective control of the affairs of Home Oil, and that Mr. R. A. Brown and his associated company, Rabsco Investments Limited, effectively control Cygnus.

All of this has been stated to the House because I want to make it clear at this point that my advice is that Mr. Brown and Rabsco, for reasons of their own—again to the best of my knowledge, and this is not because of any action of this government, because of any existing tax laws, but for motivations of their own which I do not think are my business, and I have not pried into them and they have not been drawn to my attention as some hon. members across the floor have alleged—have decided that it is in their interests to sell 49 per cent of their holdings of class B shares of Cygnus at this time. I believe this first sale will be made by Mr. Brown, personally.

The decision is to sell the balance of 51 per cent of their holdings at a later time on a formula, however, which would be agreed to at the time of the first sale. While the first stage of the sale might not transfer control from Mr. Brown's hands, thus from Canadian hands to a non-Canadian company, certainly at the time the second sale is effected, control of Cygnus and therefore of Home would pass to the purchaser.

• (11:50 p.m.)

I should like to tell the House that Mr. R. A. Brown, Jr. has had a distinguished business career in the oil industry in Canada and has been one of the leading Canadians active in that industry. Home Oil has had a dramatic growth during his term as head of this company. Mr. Brown has received several honours, including a position for several years on the board of directors of Canadian National Railways and the conferring upon him by the University of Calgary, in his home city, of an honorary doctorate.

In saying that, I say in all sincerity that my position has been to try to achieve the transfer to a Canadian company in accord with Mr. Brown's desires without if possible in any way impairing Mr. Brown's personal position. I think, surely, that was the right approach and the only possible approach. If the worst comes to the worst, then the national interest must be paramount; and if something must be done which impairs Mr. Brown's interest, then that must be, because the national interest must come first. But I had a responsibility, and tried to exercise it, of seeing whether we could make an effective transfer to a Canadian company without impairing Mr. Brown's private right to receive the optimum price for this transfer.

I want the House to know that on my instructions, my deputy minister began to discuss the question of control of Home Oil with Mr. Brown as early as June 21, 1970, and with Mr. Brown's co-operation the government has been kept apprised of Mr. Brown's intentions. There may be an impression in the minds of some hon. members that the men who head some of these giant corporations are somewhat lesser Canadians or are different from us, but I want to emphasize that in these negotiations I have not found such to be the case. Mr. Brown has been sensitive to the national interest to which members have referred today, and wishes to keep this company Canadian if he can possibly do so with justice to his own private interests which he has every right to try to protect.

From the beginning of Mr. Brown's negotiations in respect of the sale of his position in Cygnus he has been aware of the desire of the government that he make a

sale to a Canadian purchaser where the terms of the purchase available to him were reasonably competitive with the offer which he might receive from a foreign buyer. I can say, Mr. Speaker, that Mr. Brown has made and is continuing to make a real effort to find a Canadian buyer on such terms and that at all times he has had such co-operation as I could give him, or which my department could give him, in this pursuit.

I was advised by Mr. Brown that he had entered into a letter of understanding—which was the way it was described to me—with Ashland Oil Incorporated in mid-January which set out the general terms of an agreement which could be entered into with that company. That is the way it was put to me, and I have accepted what was told to me completely, because everything that had happened to that date had been told straight and completely to me by all parties concerned.

So this was given to me as an agreement which could be entered into with the Ashland company. The letter made it very clear that that was not an agreement. I did not see any written document until Friday of last week, when I attended at Vancouver for the purpose of trying to help ensure the continuity of this company as a Canadian company. The intention, if the agreement with Ashland was to be proceeded with, was that the parties would enter into what they called a definitive agreement some time later. While that letter has been described to me, as I say at no time had I been in possession of it or seen it. I had not seen it except that time in Vancouver, but I understand a copy of it was made available today to my deputy minister.

The hon. member for Calgary North (Mr. Woolliams) referred to a letter of intent in which my name is mentioned. Again I checked this, and I think I cleared the *Hansard* record, and I am advised upon further checking that no letter of intent entered into by Mr. Brown or no communication mentioned my name at any time. This is just one of the many misrepresentations in that unfortunate article which may have misled hon. members.

As I advised the House earlier, I was not aware of any documentation which implemented and executed a sale agreement, and to the best of my information and belief there is no such documentation, nor has Mr. Brown and RABSCO entered into a firm and binding agreement of sale at this time.

I said earlier that these negotiations were extremely sensitive, extremely confidential. They involve private rights and very large amounts of money. I have received information from various parties which has been given to me on the understanding that I would not disclose their respective positions, and I feel obliged to honour that undertaking, not only by reason of this transaction but if I am to be useful to the government and to Parliament in my future dealings, it is surely paramount that private persons who deal with me on a confidential basis know that despite the pressures put on me even by Parliament at times to disclose the information, I will maintain the undertaking until I have the authority to release the information to the House.

Possible Takeover of Home Oil Company

I can say at this time that Mr. Brown is actively dealing with more than one Canadian company to try to maintain Home Oil as a Canadian company. I advised the House earlier today, and previously, of my position that it is in the interests of Canada to maintain control and majority ownership of Home Oil. I think hon. members unanimously indicated tonight they wished that also. The measures I have taken have been to fully acquaint myself of the facts of Mr. Brown's circumstances and of the Cygnus and Home corporations, to make clear to Mr. Brown the desire of the government that a sale is made to a Canadian buyer, and to actively encourage discussions between Mr. Brown and Canadian buyers which he had indicated were acceptable to him, as well as to attempt to bring him together with such Canadian buyers, if I was able to do so by my own intervention or by the good offices of my department.

As I said, the question is a delicate one regarding the extent to which the government of Canada should interfere with the private affairs of a Canadian citizen because there is an urgent and overriding national interest. There are certainly circumstances in which this is done, such as the ones to which I referred earlier. Certainly, the rights of private property, be it corporate property or real estate or otherwise are not so absolute, as were the rights of private enterprise of yesteryears. That is as it should be in the kind of world in which we live. At the same time, it must be clear that the interests of the private subject have to be considered most carefully, and should not be interfered with lightly or unnecessarily, in justice to the individual concerned. At this point I have to state publicly—and I think I should do so in fairness to the parties with whom I have dealt—that I have received the full co-operation of the president of Ashland Oil Incorporated, Mr. Orin Atkins, with respect to this transaction. He also has kept me completely briefed, has honoured any undertaking that he has given to me, and I think I certainly do owe him the courtesy of acknowledging his candour, good will and honesty in his dealings with the Canadian government.

Incidentally, Ashland is an important refiner of Canadian oil in the United States and has an investment of over $100 million in Canadian production. Questions have been raised in the House about a tax advantage under the present rules to a U.S. buyer in the situation of the possible change of control of Home Oil. I want to address myself to that very briefly. It is true as some hon. members, particularly in the official opposition, have alleged, that U.S. companies in certain circumstances can write off their exploration expenditures in Canada from their general income, while Canadian companies are not permitted to write off from Canadian income exploration expenses incurred outside Canada.

• (Midnight)

There is no doubt in my mind that the oil industry in Canada needs vast sums of capital for its development. Members of the House should indeed pause to consider whether our needs to develop our oil industry are the same as those of the United States and other foreign

countries, and whether we should encourage the transfer of capital out of Canada for exploration in other parts of the world. I look forward very much to the discussion on that important issue when the tax reform measures come before the House, because I look upon this matter as important in the future of the Canadian oil industry. I am not presuming to answer the question at this time, Mr. Speaker, because I think that would hardly be appropriate.

Finally, I must say to the House that the decision of the government, in the event that there is no Canadian buyer willing to make an offer of approximately the same benefits to Mr. Brown and Rabsco, cannot be communicated this evening. There is no decision yet on what we will do in the event that my confidence in the likely success of these negotiations proves to be misplaced. There may well be necessary action.

Again, I think this debate has been most useful to the government in that regard. It indicates to the government—which is the very function of Parliament—the will of this House and thereby the will of the country. I cannot think of any more useful debate than that which has taken place tonight. I repeat, and I believe, that the procedures have up to now been the right ones. I am confident that they will succeed. If they do not succeed, it may be that harder measures will be required. I hope this will not be the case and I do not believe it will be.

I have tried to disclose to the House, to the best of my ability, anything I thought I could without violating confidences. I apologize to hon. members if they think I should have done this earlier in the evening. I repeat that I thought I should let all hon. members speak and listen to them.

An hon. Member: You would have saved time.

Mr. Greene: If that is the case, then on another occasion I will speak early and listen later. But I can assure hon. members that it was not done in any spirit of contempt of the House. I thank hon. members for being so patient with me at this late hour.

Mr. Saltsman: On a point of order, Mr. Speaker, and with the indulgence of the House, may I be permitted to direct a question to the minister?

Mr. Deputy Speaker: Is there unanimous consent?

Mr. Greene: If I can answer, I will.

Mr. Saltsman: Mr. Speaker, the minister has taken a rather reasonable position tonight. The fuller explanation he has given might have saved our time if given earlier. In his remarks he indicated the dilemma facing us generally with regard to foreign ownership: it is simply that many Canadian companies are worth more to foreign organizations because of the nature of their operations and, in some cases, because of foreign tax laws. But the question I put to the minister is this: Is he not being somewhat unfair in trying to reconcile the private interests with the public interests?

No one wants to disadvantage a private owner, and I am quite sure Mr. Brown has been a good Canadian and is deserving of all the consideration we can give him. But is it not unfair to leave this state of affairs in limbo without any policy on foreign ownership? Nobody seems to know the rules of the game; this is the reason we are getting into this fix. Has the minister some views on this question? Can he say what he intends to do about it, so that we can avoid such head-on collisions at the last moment, whether with Mr. Brown in the oil field or with Mr. Roman in the uranium field?

Mr. Greene: Mr. Speaker, I think that is a very valid question and possibly it is a very valid criticism of the government's actions to date. These are not easy questions of policy. As the hon. member knows, one of my cabinet colleagues is presently undertaking a comprehensive survey and will come up with a policy for the government or for Parliament, I am not sure which. In the meantime, I think that my hon. friend will see the dilemma that I was faced with personally. There is not yet a clear, overt and manifest policy on this issue. When we debate this issue, when we try to arrive at a policy, hon. members will see that this is not an easy subject. We need foreign capital in this country; we all agree on that, I think. We must treat foreign capital fairly and justly, to enable it to obtain a fair return, otherwise it will not come here. How we do this and yet assure a greater and continually improving ownership position for Canadians in Canada will be the challenge we must meet. There is no over-all policy in this field yet; therefore, for the time being, these cases must be dealt with on an ad hoc basis as they come along. I have the responsibility, and if I have interpreted the speeches in the House tonight correctly I have fulfilled my responsibilities as the House would wish me to, of trying to maintain companies that are now Canadian as Canadian companies, pending any resolution of over-all policy with regard to foreign ownership.

Mr. Doug Rowland (Selkirk): Mr. Speaker, before the minister sits down I wonder whether he would permit a question. I wanted to say how happy I am that the negotiations to which he referred have come along so well. May I say to the minister that although he has hinted the answer on several occasions, he still has not given us any clearcut reply to one important question. It is the absence of this answer that has made the House uneasy about the future of Home Oil and which is the reason for this debate. The question we should like to have answered is this: can the minister guarantee to this House that, whether or not the negotiations on which he is now engaged succeed, Home Oil will remain a Canadian company, under Canadian ownership and Canadian control?

Mr. Greene: Mr. Speaker, as I tried to indicate at the conclusion of my remarks, in the event that these negotiations about which I am sanguine do not succeed, the government will decide what action should be taken at that time. I cannot guarantee that the negotiations will succeed, of course. Hopefully, we will succeed and I do not think that we ought to look ahead of the event. I have no authority to say to the House what the govern-

ment will do in the event that the present procedures, about which I am hopeful, do not succeed.

Mr. McKinley: Mr. Speaker, will the minister permit a further question. Is he confident that there is enough Canadian financial interest to maintain this company as a Canadian company?

Mr. Greene: Mr. Speaker, my confidence is based on the fact that there are Canadian companies which are financially capable of handling this transaction which have manifested a very clear intention in this regard. It is my confident belief that they can be brought together with the vendor, and that the company will remain Canadian.

Mr. Burton: Mr. Speaker, I wonder if the minister would permit one more question before he concludes his speech. Before I ask my question, may I be permitted to join with other hon. members in what has been said. We thank the minister for the information he has given to the House tonight. I think an earlier intervention on his part might have avoided some of the irrelevancies which were introduced by hon. members such as the hon. member for Burnaby-Seymour (Mr. Perrault). My question is this. The minister indicated that the document that he has seen relating to Mr. Brown and the Ashland Oil Company is not, according to his interpretation, an agreement.

• (12:10 a.m.)

Since he also declined to accept the suggestion that it be termed a letter of intent, can he in fact define the nature of this document, or is it the case that he does not wish to do so at this stage because of the nature of the negotiations? If it has not been determined yet, will the minister undertake to determine how this document may be defined, and inform the House? Does the minister consider that this document in any way limits the action he can take to fulfil the objectives he has stated in keeping this company a Canadian company? Does it limit his power to do so within the scope of the powers now available to him?

Mr. Greene: Mr. Speaker, I do not exactly know how to define in legal terms the agreement or document. I have not had it checked by lawyers or anything of this nature. I understand it is a document wherein the parties wrote down the general nature of the terms under which they would deal if an agreement could be subsequently entered into. Those are the terms which would be implemented. It was a preliminary agreement. Whether it limits our ability to act in law, I have no legal opinion.

My personal opinion is that it does not limit our ability to act because it is not an executed and binding agreement upon which Parliament could act. Even an executed and binding agreement could be abrogated by Parliament. I do not think this document goes that far. From my discussions to date, I do not think it limits our ability to ensure the end purpose of maintaining Home Oil, at the end of the negotiations, and the ultimate offspring of the negotiations, as a Canadian company.

Mr. Benjamin: Is the minister prepared—

Mr. Bell: I object.

Mr. Speaker: Order, please. Is the hon. member rising to take part in the debate?

Mr. Benjamin: I was wondering if I could address a question to the minister.

Mr. Speaker: Hon. members realize that the minister has answered a number of questions. I wonder whether we are now exaggerating a little. The minister's time expired a long time ago and he can continue only with the unanimous consent of the House. We do not appear to have that unanimous consent. Procedurally, I think this is a time to suggest that no further questions may be asked.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if that is the position, perhaps in a 30-second intervention I might persuade the House to call it a night. I hope the minister will be able to persuade the government that the message he got from Parliament tonight is one that must be implemented. We want this company to remain Canadian.

Mr. Speaker: Pursuant to Standing Order 26(13), it appears, and I am so satisfied, that the debate has been concluded. I therefore declare the motion carried.

At 12.16 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 19, 1971

The House met at 11 a.m.

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—INCORRECT NEWS MEDIA REFERENCES TO BILL C-203 AS INCREASING VETERANS PENSIONS AND ALLOWANCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege, having given Your Honour the required notice under Standing Order 17(2). My question of privilege relates to a continuing error which has been repeated in this morning's news concerning the contents of the bill which we passed yesterday afternoon.

I do not rise to protest misleading headlines—we are used to that sort of thing—but rather to protest the failure to report to the people of Canada what was in the bill that we passed yesterday. I raise my point of privilege because this error was broadcast on the CBC news this morning and it appears on page 1 of this mornings' Toronto *Globe and Mail* and on pages 27 and 29 of this morning's Montreal *Gazette*.

When Bill C-203 was first introduced, the news media immediately referred to it as a bill increasing veterans pensions and allowances. We have repeatedly pointed to the fact that it does not do that. Those increases were announced by the minister on December 2, but we do not yet have the legislation to bring them into effect.

Therefore, Mr. Speaker, when the CBC news announces that yesterday we passed a bill dealing with veteran pension increases, when the *Globe and Mail* says the same thing on page 1, and when the *Gazette* repeats it on page 27, and even again on page 29 in reporting the incident, or alleged incident, concerning the Prime Minister (Mr. Trudeau) being "obscene but not heard", I suggest this is a disservice to the Canadian people and will mislead the veterans of this country.

My point of privilege can be corrected quite easily, Mr. Speaker, if the government will now bring in legislation to increase veterans pensions and allowances as promised on December 2.

Mr. Speaker: Order, please. I think the hon. member will recognize that there is not a question of privilege in the point he has raised. As I have said from time to time, there may be a grievance, in this instance in the way the activities of the House of Commons have been reported, but I do not think that this is tantamount to a breach of parliamentary privilege.

ROUTINE PROCEEDINGS

LABOUR RELATIONS

WAGE OFFER TO HMC DOCKYARD EMPLOYEES, HALIFAX —REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, under Standing Order 43 I should like to move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall), that in light of the government's bargaining with its employees in Department of National Defence establishments in Atlantic Canada, and specifically in light of the fact that the government is now offering the top wage in a majority conciliation report to its employees at HMC Dockyard, Esquimalt, B.C.—an increase of 42 cents an hour—and is offering the bottom wage in a minority conciliation report—an increase of 27 cents an hour—to its employees at HMC Dockyard, Halifax, the subject matter of bargaining over wage issues with prevailing rate employees be referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Halifax-East Hants. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

• (11:10 a.m.)

ORAL QUESTION PERIOD

CANADIAN CONSTITUTION

ENTRENCHMENT OF LANGUAGE RIGHTS IN FIELDS OF PROVINCIAL JURISDICTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister for the purpose of obtaining some clarification regarding the recent conference between the federal government and the provinces on the constitution and in particular the entrenchment of language rights. Would it be correct to say that in the communiqué there was no agreement indicated, without some reservation at

least by the provinces, regarding the entrenchment of language rights in fields within provincial jurisdiction?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the measure of agreement was stated in the communiqué. I am doing my best to try to understand what the Leader of the Opposition is asking. As I say, it appears to be clear in the communiqué, but perhaps the hon. gentleman would like to ask a supplementary question.

Mr. Stanfield: Perhaps I might be more specific in order to help the Prime Minister. Was there any agreement to entrench language rights, for instance, with respect to provincial courts in the country apart from federal courts?

Mr. Trudeau: Obviously not, Mr. Speaker. There is nothing in the communiqué about provincial courts. Even when we mention federal courts I would caution against using the word "agreement". He knows that this was indicated as a feasible approach, and I would not, on behalf of any of the provinces, want to say that they agreed in a firm way. It was considered to be a feasible approach to constitutional amendment.

Mr. Stanfield: I have one further supplementary question, Mr. Speaker, which I ask again for the purposes of clarification. Was there any agreement that any rights now entrenched in the British North America Act in respect of the use of language in the courts would be removed? I am referring now to entrenched rights which exist, for example, in the province of Quebec. Was there any agreement that these would be removed?

Mr. Trudeau: If there had been agreement on that, Mr. Speaker, it would have been stated in the communiqué, but it was not.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker, which arises from the Prime Minister's indication the other day that either the French version or the English version of the communiqué could be used as it suited one's case. I should like to ask the Prime Minister whether there was a consensus among the provinces that any province could move into a more or less unilingual position, une position unilingue, que ce soit l'anglais, que ce soit le français, with regard to courts or official documents and so forth and so on?

Mr. Trudeau: Monsieur le président, qu'on lise in English or in French la position est la même; le communiqué does not talk about ce qu'on disait en réponse to the Leader of the Opposition.

Mr. Lambert (Edmonton West): Mr. Speaker, this is linguistic gear shifting. I am using the terms of the communiqué. Since the Prime Minister insisted the other day that they meant the same thing. I ask again whether there was agreement between the premiers of the provinces and the Prime Minister that any province could decide to move into a more unilingual position than now exists under the constitution and in practice, or is the interpretation that appeared in the public media yesterday and today one that has arisen as a result of the confusion caused by being able to use whichever version of the communiqué one wants to use?

[Mr. Stanfield.]

Mr. Trudeau: Naturally, the subject was discussed, but if there had been agreement on anything of this nature it would have been put in the communiqué. There was nothing in the communiqué to this effect. As I told the Leader of the Opposition a moment ago, we did indicate in the communiqué that the federal government would be obliged under this proposed formula, if it were adopted, to entrench the two languages in the federal courts as we do now under the Official Languages Act. But there was no reference in there to what would happen to the provincial courts.

PROPOSED AMENDING FORMULA—EFFECT OF PART III

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, without shifting language gears, and looking at the English text of the communiqué issued after the conference, the statement of conclusions, I should like to ask the Prime Minister if the third proposal under the amending formula setting out amendments of concern to Canada plus one or more but not all provinces is the type of feasible approach which could allow Quebec and the federal government to remove section 133 from the British North America Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot, of course, predict what would be done with section 133. As the communiqué says, all governments will want to see the implications, legal and otherwise, which flow from the adoption of such a formula. The question asked by the hon. member is one which I cannot answer. It is a matter of legal interpretation—what would happen if such an amending procedure were in the constitution. It would depend upon the form in which it was there and it would depend on what else was left in the constitution and what was withdrawn.

Mr. Nowlan: Mr. Speaker, I quite appreciate part of the Prime Minister's answer in that this does involve an interpretation of a third feasible approach to the amending formula. But given the wording of the communiqué that the constitution could be amended by a resolution of consent at the federal level, plus the consent of the legislature of a province concerned, if there is any thought of amending the fundamental rights in the BNA Act for one province, what is the position of New Brunswick and its statute passed in 1968-69, an Act respecting official languages in New Brunswick and section 16 of that Act—

Mr. Speaker: Order, please. I say with respect that it seems to me we are becoming involved in a rather complex and complicated constitutional discussion. The hon. member perhaps might ask the question briefly and I suggest the Prime Minister should attempt to reply to it briefly.

Mr. Nowlan: I will ask it briefly, Mr. Speaker, and, with all deference, I think pretty directly. In view of the Prime Minister's longstanding interest in extending and amplifying a bilingual approach to the federal institutions of Canada, does he as the leader of the government and the Prime Minister of this land think you can have bilingualism from coast to coast and yet have retrograde steps within a province eliminating, reducing or restricting rights which have been there for several years and affecting rights which have been extended in some provinces like New Brunswick and goodness knows—

Mr. Speaker: Order. That obviously is put in the form of an argument. The hon. member is asking whether the Prime Minister thinks so and so. He is, of course, inviting the Prime Minister to express an opinion, and I do not think that in those terms the question should be answered. The hon. member has made an argument rather than asking a question.

Mr. Nowlan: Mr. Speaker, I have a further supplementary. In view of reports in today's papers as a result of an interview with the Premier of Quebec last night, and in view of the private nature of the meetings of the constitutional conference last week or the week before, can the Prime Minister tell the House and Canada if the interpretation of the Premier of Quebec is correct with regard to section three of the amending formula in the communiqué and what might happen to section 133 of the BNA Act?

Mr. Speaker: Order, please. Again I would think the hon. member's question is hardly in order. I suggest at this point that we should go to another subject.

Mr. Baldwin: On a point of order, Mr. Speaker, I have a very simple supplementary.

Mr. Speaker: I will recognize the hon. member for Peace River, but I caution hon. members that if we spend 10 or 15 minutes on the first question we could have rumblings at the end of the question period and, if so, I think the rumblings should be aimed in a direction other than the Chair. I will recognize the hon. member for Peace River.

Mr. G. W. Baldwin (Peace River): Rumblings are what I am used to, Mr. Speaker. I want to ask the Prime Minister if the communiqué on page 4 indicates that the new proposals are an addition to what is presently in the British North America Act or are they to be considered as replacing the existing provisions of that Act?

Mr. Trudeau: Mr. Speaker, the communiqué does not enlighten us on this subject.

Mr. Baldwin: That is why we ask you.

Mr. Trudeau: Contrary to what hon. members opposite can do, I cannot read the minds of the provinces on this subject.

Mr. McCleave: How about reading lips?

Inquiries of the Ministry

THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—EXPEDITING OF TABLING OF STUDY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister on another subject. In view of the statement made last night or, to be more precise, early this morning by the Minister of Energy, Mines and Resources to the effect that the government does not yet have a clear, overt and manifest policy on the issue of foreign ownership, can the Prime Minister say whether the government is taking steps to expedite the tabling of the study on this subject being undertaken by the Minister of National Revenue?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we are taking such steps, and I think it is safe to gamble on the fact that we will overtake by far the New Democratic Party and the statement of its policy.

Mr. McCleave: You call that progress?

Mr. Knowles (Winnipeg North Centre): My second question is supplementary to my previous question. I shall not comment on the remark just made by the Prime Minister. In view of the further statement made early this morning by the Minister of Energy, Mines and Resources alluding to the debating of this matter in Parliament, can the Prime Minister say whether the debate will be on a white paper presented by the Minister of National Revenue or on a firm position taken by the government?

Mr. Trudeau: On one or the other, Mr. Speaker.

FOREIGN OWNERSHIP—INTRODUCTION OF IMMEDIATE INTERIM POLICY

Mr. John Burton (Regina East): I would like to address a supplementary question to the Prime Minister. In view of difficulties that have arisen in a number of cases, including the one which was debated in the House last night, is the government now giving consideration to bringing in an immediate interim policy to deal with the problems of takeovers of Canadian firms because of the very obvious difficulties facing many companies, as was expressed in the House last night, in that they simply do not know the rules by which to operate?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. We are not envisaging an interim policy, as the hon. member says. We regret that in some cases we had to act in an ad hoc fashion, and we want to avoid that as much as possible. We would like to have not an interim but a stated policy of the government. We do not have the facility of the New Democratic Party of being able to have several policies.

Mr. McCleave: Fuddle-duddle.

Mr. Baldwin: That requires a certain amount of intelligence.

Inquiries of the Ministry

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—MEASURES TO PREVENT SALE

Mr. Les Benjamin (Regina-Lake Centre): In view of the reply of the Minister of Energy, Mines and Resources last night to the effect that he had no authority to say to the House what the government will do in the event that the present procedures, about which he was hopeful, do not succeed, will the Prime Minister now give the House an assurance and a commitment that if the procedures now being followed do not succeed measures will be taken to prevent the sale or takeover of the Home Oil Company by the United States firm, Ashland Oil?

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Energy, Mines and Resources has stated the government's policy and its approach to this particular problem. I have nothing to add to that.

Mr. Doug Rowland (Selkirk): My question is directed to the Prime Minister. Has he given the Minister of National Revenue a deadline by which time the white paper on foreign ownership must be produced, and can he give us some idea of when that deadline might be?

Mr. Trudeau: I am not so authoritarian that I would give a minister a deadline.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Considering that a National Defence spokesman has stated that the presence of the Armed Forces in Quebec following the invocation of the War Measures Act has given rise to additional expenses of $3 to $4 million, would the Prime Minister tell us today if his government has decided to absorb these additional expenses or if the province of Quebec will have to foot the bill?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have nothing to add to the answer I gave when this question was asked previously, except to say that the figures published are wrong; the exact figures are those given by the minister to the committee yesterday when he stated that the total would be under $2 million.

Mr. La Salle: Mr. Speaker, I would like to put a supplementary to the Prime Minister.

May I ask him whether the negotiations are continuing with Quebec and whether he can assure us that he will be shortly in a position to tell us who will foot the bill?

Mr. Trudeau: Mr. Speaker, the hon. member has nothing to worry about; it will come one of these days.

[Mr. Baldwin.]

[*English*]

NATIONAL DEFENCE

POSSIBLE ESTABLISHMENT OF AIR SERVICES TRAINING SCHOOL AT CLINTON

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of National Defence. Can he say whether or not his department and the Department of Transport have come to an agreement regarding the establishment of a joint air services training school and whether that school might be located at Clinton? We were promised an answer on this matter by February 1. Has he an answer today?

Hon. Donald S. Macdonald (Minister of National Defence): Not as yet, Mr. Speaker.

Mr. McKinley: Would the minister speed up the negotiations and, if this base is not going to be used for this purpose, make it available to somebody else who might use it?

* * *

CANADIAN NATIONAL RAILWAYS

ACCIDENT IN FRASER CANYON RESULTING IN LOSS OF LIVES

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of Transport in connection with the very regrettable recent accident on the Canadian National Railways line in Fraser Canyon in which three lives were lost. Is this accident being thoroughly investigated by his department, and will the minister impress upon the CNR the desirability of increasing its safety and warning measures so that such accidents will not occur again?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have no way of knowing whether or not there is a relationship between the accident and the safety measures undertaken by the CNR. I can tell the hon. member that the usual thorough investigation is under way into this regrettable accident, and as soon as the report is available I will make it public.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. When he is investigating will be ascertain whether or not slide detectors were evident, and at the same time will he advise the commission looking into railway mishaps generally to include this accident on their agenda?

* * *

TRADE

POSSIBLE SALE OF POTASH TO CHINA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. In view of recent press reports regarding

a possible sale of Canadian potash to China, can the minister say whether or not he has had any discussions with Premier Thatcher of Saskatchewan regarding such a sale, and whether any negotiations are now under way with China?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, that subject was raised at the time of the recent meeting between the two governments, and I am inquiring into it now. It is not only a question of need; it is also a question of desire to buy and capacity to pay.

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YOUTH

INQUIRY AS TO ANNOUNCEMENT OF PROGRAM

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Minister without Portfolio in charge of citizenship, but in his absence will direct it to the Prime Minister. In light of the fact that latest government estimates indicate that 1,350,000 students will be looking for jobs this summer, and that at least one university, the University of Manitoba, reports that only 15 per cent are guaranteed jobs whereas at this time last year 40 per cent were sure of finding work, when will the government be announcing the details of its youth program?

Right Hon. P. E. Trudeau (Prime Minister): Soon, Mr. Speaker.

Mr. Peddle: Will the Prime Minister expedite the decision since already the delay has caused postponement of a national conference on youth problems scheduled for later this month but now put off until mid-March?

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CITIZENSHIP

HIRING OF ALEXIA ALEXANDROVICH BANDY BY BRANCH—SECURITY CLEARANCE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have been trying to direct this question to the Secretary of State or to the Minister without Portfolio in charge of Information Canada for the last two days but since both are not in the House today may I direct it to the Prime Minister. I am sure he is aware of the hiring of Alex Bandy by the citizenship branch of the Department of the Secretary of State. Has the Prime Minister requested the Solicitor General or the RCMP to make a security check on Alex Bandy and, if so, has he been given a security clearance by the government?

Right Hon. P. E. Trudeau (Prime Minister): I do not know the answer, Mr. Speaker. I am sorry the hon. member has not been able to catch your eye. Maybe he can catch the eye of television when he goes out of the chamber.

Inquiries of the Ministry

NATIONAL SECURITY

ESTABLISHMENT OF REVIEW BOARD

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the fact that on December 14, 1970, as reported in *Hansard,* the Prime Minister indicated that pursuant to the report of the Royal Commission on Security a policy regarding a security review board as recommended has been established but not implemented, can the Prime Minister indicate when this policy will be announced and at what time we will be able to debate the report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I confess that I did not hear everything that was contained in the question. There seemed to be a fair amount of noise opposite. I believe the question has to do with an announcement concerning a security review board. The question is under active consideration and I hope that we shall be able to make an announcement in the not too distant future.

* * *

NATIONAL HARBOURS BOARD

TYPE OF QUESTIONS ON FORM TO BE FILLED IN BY EMPLOYEES

Mr. Barry Mather (Surrey): Mr. Speaker, may I address a question to the Minister of Transport. Is the minister aware that the National Harbours Board at Vancouver is requiring its employees to fill in a federal government form which includes questions that, in my view, are contrary to the intent of the Criminal Records Act. They have to do with whether the employee has ever been convicted of an offence or dismissed, whether he has ever visited a communist zone country in the past 26 years and what is his nickname. Would the minister look into this situation?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I thank the hon. member for having given me notice of this question and for having supplied me with a copy of the questionnaire. I have asked the National Harbours Board for an explanation. I have also checked to determine whether the questions being asked are permissible or whether they should be changed. I will give the answer as soon as I obtain a reply from the National Harbours Board.

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THE CANADIAN ECONOMY

POSSIBLE SALE OF McCLELLAND AND STEWART PUBLISHING FIRM TO FOREIGN INTERESTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the Minister of Consumer and Corporate Affairs, who has a special responsibility in this area, if he

has anything to report to the House and the country regarding the announced sale of the publishing firm of McClelland and Stewart?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure to what specific responsibility that question refers. I have no announcement to make, although I understand that one of my colleagues has.

Mr. Doug Rowland (Selkirk): A supplementary question, Mr. Speaker. May I address that same question to the Minister of Industry, Trade and Commerce?

Mr. Speaker: Order, please. I gather that the hon. member for St. John's East was about to redirect his question in the way that the hon. member for Selkirk has attempted to do by a supplementary question.

Mr. McGrath: Mr. Speaker, the Minister of Industry, Trade and Commerce was rising to his feet to respond to the question.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have done what I said I would do yesterday, and that is to obtain as much information as I could. First, my officials have been in touch with Mr. McClelland and he has confirmed that the company is for sale, that a sale to foreign interests is not contemplated and is unlikely, and that if it should ever be contemplated he would be in touch with me first. Secondly, the interdepartmental committee has met on a number of occasions and they have divided the work of investigation. The Secretary of State is preparing a policy on book publication which might very well include the establishment of a Canadian publishing development corporation.

Some hon. Members: Hear, hear!

Mr. Pepin: An announcement to that effect will be made in due course in the proper way. In the meantime the Secretary of State is to meet on March 1 and March 2 with publishers. This was planned some time ago. I also intend to attend that meeting to demonstrate that it is both a cultural and an economic problem. Thirdly, Mr. Speaker, in my department officials are working to step up activities in the export field. We have commissioned Dr. W. H. Clarke, Vice-president of Clarke Irwin Limited, to provide us with some immediate short-term assistance in this field. We are increasing our participation in trade fairs abroad and we are considering the feasibility of establishing Canadian book centres abroad. Fourthly, Mr. Speaker,—

Mr. Speaker: Order, please. I perhaps can assume that the "fourthly" was also "lastly". I am sure the minister will be given an opportunity to give us the "fourthly" by way of a supplementary question that I gather the hon. member for St. John's East wishes to ask.

Mr. McGrath: Mr. Speaker, my supplementary question, hopefully, will give the minister a chance to give us his "fourthly". Does the minister's answer refer to the interdepartmental study which he alluded to yesterday? If not, would he now undertake to bring us up to date on that subject, as he did in the House during his reply yesterday?

Mr. Pepin: Mr. Speaker, the study which I have already tabled is the basis of the assessment of the situation which has been going on. Decisions are developing from that basis. Fourthly, the Minister of National Revenue, with whom I have consulted, also assures me that this aspect of book publication is part of his study of foreign investment in Canada.

Mr. Rowland: Mr. Speaker, may I ask the minister whether he is also studying the possibility of assisting Canadian publishers in establishing a book publishing firm in the United States to give them access to that market?

Mr. Pepin: Mr. Speaker, I contacted the Secretary of State in Chicoutimi this morning, and what I have said is the only thing I have been authorized to say.

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POLLUTION

PROVISION OF ADEQUATE TREATMENT FACILITIES IN CHURCHILL FOREST INDUSTRIES PROJECT— MEETING WITH MANITOBA MINISTER

Mr. Robert Simpson (Churchill): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. In answering a question on January 27 the minister indicated his concern about inadequate pollution facilities at the Churchill Forest Industries project at The Pas, Manitoba, and mentioned that he would be meeting with the appropriate Manitoba minister during the following week. Has the minister had that meeting with the Manitoba minister?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I have had a long telephone discussion with Hon. René Toupin and his advisers. There has also been some correspondence exchanged on this subject. We have advised him of the new standards which we are developing jointly with the provinces and which would apply to the new kraft mill in northern Manitoba.

Mr. Simpson: Mr. Speaker, is the minister aware of the very strong concern among many of the wildlife authorities in the province of Manitoba regarding what they consider to be poor liaison between the federal government and the Manitoba provincial government on this matter?

Mr. Davis: Mr. Speaker, discussions have been held between officials of my department and the officials of several departments in Manitoba concerning pollution in the northern part of the province.

REGIONAL ECONOMIC EXPANSION

REVIEW OF INCENTIVE GRANTS PROGRAM IN LIGHT OF CRITICISM

Mr. John Burton (Regina East): Mr. Speaker, may I direct a question to the Prime Minister. In view of the concerns which have been expressed by the hon. member for Edmonton-Strathcona and others about regional development incentive grants, including such things as two grants being made to one operation where there is simply a fence running down the middle of the plant, grants being made to marginal operations and grants being made to operations which have already been started, as well as the concerns about the extent of grants to foreign concerns, is any review being made of this program with a view to taking into account these concerns?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are continuously, especially through the Treasury Board, attempting to assess the value of our various programs. If the hon. member has any particular details that he wants to communicate to the minister responsible, I am sure his information would be welcome.

PROPOSED GRANT FOR PULP MILL IN MEADOW LAKE AREA

Mr. John Burton (Regina East): Mr. Speaker, in view of the visit by the Prime Minister and other members of the cabinet to Saskatchewan last weekend, is the Prime Minister in a position to inform the House whether any progress has been made with regard to a grant for a pulp mill in the Meadow Lake area in view of statements made by the Premier of Saskatchewan to that effect yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know that the Minister of Regional Economic Expansion was to be in Meadow Lake and that he discussed this matter with members of Mr. Thatcher's cabinet, but I am not in a position to say if and when an announcement will be made on his behalf.

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NATIONAL DEFENCE

MAINTENANCE OF ESSENTIAL DEFENCE CAPABILITIES IN THE EVENT OF BREAKDOWN IN LABOUR NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. In view of the very serious differences that have arisen in the last few days in negotiations between defence employees and the Crown—and pray God that the negotiations do not break down—could the minister

indicate what plans he has to maintain essential defence capabilities, including the search and rescue capability, on the east coast, in the event of a serious breakdown in labour negotiations?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, it seems to me that the question is hypothetical.

Mr. Forrestall: Mr. Speaker, can the Minister of National Defence give some assurance to the House and to Canadians generally that he will not permit a serious breakdown in labour negotiations that would affect our defence capabilities?

Mr. Macdonald (Rosedale): As the hon. member should know, these negotiations come under the responsibility of my colleague the President of the Treasury Board. I am following them with active interest, but of course the responsibility is that of my colleague.

FUTURE USE OF MEAFORD TANK RANGE

Mr. Percy V. Noble (Grey-Simcoe): My question is directed to the Minister of National Defence. Now that military operations at the Meaford tank range have been terminated, can the minister tell the House what plans he may have for the future use of this property or for its disposal?

Hon. Donald S. Macdonald (Minister of National Defence): As a result of the examination of the usefulness of properties in western Ontario for military purposes it is not entirely impossible that the Meaford Range, instead of being phased out, may continue to be used as a range. As the hon. member knows, we have a severe problem anyway because of the large quantity of unexploded ammunition on this site.

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EXTERNAL AFFAIRS

POSSIBLE NATIONALIZATION OF ALCAN PLANT BY GOVERNMENT OF GUYANA

Mr. Heath Macquarrie (Hillsborough): I wish to direct my question to the taciturn Minister of Industry, Trade and Commerce. It concerns an important possible take-over. Is he in a position to advise the House and the country of any new developments with reference to the seemingly imminent nationalization by the government of Guyana of the important Alcan establishment there?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. We are following the discussions between the government of Guyana and the Canadian company very closely but I am not in the position to say anything on the subject today.

Inquiries of the Ministry

WATER RESOURCES

ECOLOGICAL EFFECTS OF BENNETT DAM ON PEACE RIVER DELTA—EXTENT OF FEDERAL PARTICIPATION IN INQUIRY

Hon. Marcel Lambert (Edmonton West): I have a question for the Minister of Fisheries and Forestry. Recently the minister's office announced that the federal government would participate in an inquiry into the ecological consequences of the Bennett Dam on the Peace River Delta. Can the minister tell us whether this inquiry is the consequence of a federal initiative or whether the federal participation was in response to an invitation from the government of Alberta? Just what is the motivation of the federal participation and to what extent will it go?

Hon. Jack Davis (Minister of Fisheries and Forestry): The motivation is both federal and provincial. Both Saskatchewan and Alberta are concerned about this problem, as the hon. member knows. A task force has been established, the chairman has been appointed, and the force is now at work on the problem.

Mr. Lambert (Edmonton West): Is it within the terms of reference of the federal representatives to pursue inquiries to establish the human responsibility or the degree of human responsibility for the tragic situation affecting the Peace River Delta?

[*Later:*]

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, my question is supplementary to the one addressed to the Minister of Fisheries and Forestry a few moments ago. Will the report of the task force to which he referred be made public, and when may the report be expected?

Mr. Davis: The report of the task force will be made public. Its terms of reference include a deadline which will be in the fall of 1971, in other words, late this year.

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INDUSTRY

TIRES—CHANGES IN TARIFF STRUCTURE—EFFECTS ON COST OF PRODUCTION AND EMPLOYMENT

Mr. Max Saltsman (Waterloo): My question is directed to the Minister of Industry, Trade and Commerce. It concerns the question I asked him yesterday about the removal of tariffs on a portion of the production of tires in Canada. Has any study been undertaken of the effect the removal of the tariff will have on the cost of production and on the level of employment in the rubber industry? If such a study has been made, can the minister make the results available?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I do not know whether there is a thing called a study in 20 pages, bound, and that sort of thing, but I know my department is extremely well informed on this subject. I have confirmed to the hon. member and others on a number of occasions that discussions are going on between the department and the various companies in the tire industry in Canada with regard to a "tire plan". I am not in a position now to say what classes and levels of tire imports might be permitted free entry, and so on. It would be premature to do so at this stage.

Mr. Saltsman: In the absence of a formal study, will the minister assure the House he will carefully consider the effects of this proposed change in view of the high level of unemployment in Canada, and that he will not take any action which would tend to increase that level?

Mr. Pepin: That is the purpose of this exercise. The purpose is to rationalize the industry in order to strengthen it, to confirm the jobs that it provides and possibly, to increase their numbers.

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COMMUNICATIONS

INQUIRY AS TO ESTABLISHMENT OF NATIONAL PRESS COUNCIL

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Prime Minister. Since Quebec is apparently going ahead with its plan to establish a press council, and since there is still some affection left between the press of Canada and the Prime Minister, can the right hon. gentleman say whether it is intended adopt the Davey Report recommendation and establish a national press council soon?

Right Hon. P. E. Trudeau (Prime Minister): I have not heard of anything like that.

* * *

HOUSING

LOAN TO PESTALOZZI COLLEGE—TYPE OF CONTROL TO BE EXERCISED BY CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. S. Perry Ryan (Spadina): May I direct a question to the Minister without Portfolio in charge of housing. Is Central Mortgage and Housing Corporation supervising and controlling the situation with respect to Pestalozzi College in Ottawa better than it did in the case of Rochdale College in Toronto? I understand a $6 million loan is being made to this college.

Hon. Robert K. Andras (Minister without Portfolio): I would hope so, Mr. Speaker.

Mr. Ryan: Will the objects of Pestalozzi be different and will the management be different from the type of management at Rochdale?

PENITENTIARIES

SUICIDE RATE—INQUIRY AS TO STATEMENT BY MINISTER

Mr. John Gilbert (Broadview): May I address a question to the Solicitor General? Having regard to the extremely high suicide rate in Canada's federal penitentiaries, 23 cases since September and 80 attempts which failed, when does the minister expect to make a statement on this very important subject so that the present trend may be reversed?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I feel that it is not by making statements that we will solve this problem. This is an extremely complex matter, and one must consider, in our society, that the suicide rate is increasing more and more. This is obviously not an excuse that could justify the increase of the number of suicides in penitentiaries. Furthermore, statistics indicate that 50 per cent of the people who have committed suicide over the past 12 years have done so while undergoing psychiatric treatment, and during their first year of detention. In fact, we are conducting investigations on this. We do want an improvement, and the best way to achieve this would be to make more personnel available to the inmates—

Mr. Speaker: Order. I do not think that the minister should be making a statement at the instigation of an hon. member.

[*English*]

Mr. Gilbert: Would the minister also examine the reasons for the high prison population in Canada—80 for every 100,000 persons compared with 60 in Sweden and 21 in Holland?

* * *

TRANSPORT

OPERATION OF NEW DIGBY-SAINT JOHN FERRY PRIOR TO COMPLETION OF DOCKS

Mr. Louis-Roland Comeau (South Western Nova): I should like to ask whether the Minister of Transport has consulted with the Canadian Pacific Railway Company with respect to the new Digby-Saint John ferry, and can he assure the House that the ferry will go into operation under temporary measures before the docks are completed in Saint John?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. This was among the subjects I discussed in Saint John, New Brunswick, on Monday. Since my return I have consulted with my colleague the Minister of Public Works. It is the intention of both my colleague and myself to speed up the work and also to make some kind of temporary arrangement so that the schedule can begin on time.

Inquiries of the Ministry

REQUEST BY SASKATCHEWAN PREMIER FOR INVESTIGATION OF FREIGHT RATES

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question. Will the minister accede to the request made last week by the Premier of Saskatchewan for an investigation into the freight rates in that province by appointing a royal commission to investigate freight rate levels?

Hon. Donald C. Jamieson (Minister of Transport): I am not certain as to the supplementary nature of that question. Mr. Thatcher has asked for a lot of things but so far he has not asked for a ferry for Saskatchewan. On the basic subject, we did make considerable progress in discussions with regard to freight rates in western Canada. Whether the route of a royal commission is the most logical or not, I am not certain at this stage in the discussions. There appears to be general agreement that the most productive route at this time might be to examine the rates for individual commodities and isolate those which are generating the most difficulty. This is the route I expect we will follow.

* * *

POLLUTION

DISCUSSION OF CLEAN AIR BILL WITH PROVINCES BEFORE INTRODUCTION

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of Fisheries and Forestry. Did the minister or anyone in his department discuss the contents of the clean air bill with all the provinces before it was introduced into the House. If not, which provinces were not consulted?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the proposed clean air legislation has been discussed in principle and now in terms of a published bill—

Mr. Speaker: Order. I have to interrupt the minister. The hon. member must realize that this is the first order of business today, and perhaps that is the time to ask this kind of question. We should not anticipate the order.

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CANADIAN NATIONAL RAILWAYS

ST. JOHN'S, NFLD.—REFUSAL TO PAY EMPLOYEES UNABLE TO WORK BECAUSE OF SNOW STORM

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Transport whether he is now in a position to reply to the question regarding the 500 employees of Canadian National Railways in Newfoundland who were deprived of a day's pay as a consequence of an emergency being declared arising out of a severe snow storm?

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have a written reply from the CNR which I fear is too long for me to read to the House, but I would be glad to send it to the hon. member immediately.

* * *

HOUSE OF COMMONS

PROPOSED TELEVISING OF PROCEEDINGS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. Will the government assure the House that serious consideration will be given to the report of the Standing Committee on Procedure and Organization concerning the televising of the proceedings of the House so that the Canadian people will not be further deprived of the histrionic and linguistic abilities of the Prime Minister?

Mr. Speaker: Order, please.

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NATIONAL DEFENCE

DOCKYARD EMPLOYEES' WAGE DISPUTE—INTERVENTION OF LABOUR RELATIONS SPECIALIST

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a question for the Minister of National Defence. Since negotiations have broken down at the dockyards at Halifax and Esquimalt and since the Treasury Board's offer actually increases the regional disparity from 85 cents to $1.15 an hour for the work involved, would the Minister of National Defence now intervene and ask for an industrial specialist to be immediately assigned?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I have already pointed out that the negotiations are under the jurisdiction of my colleague the President of the Treasury Board. I follow them with great interest but am not directly participating.

Mr. Speaker: Orders of the day.

Mr. Skoberg: A point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member is rising on a point of order.

Mr. Skoberg: Mr. Speaker, in view of the urgency of the question and since there is a strike in Halifax at the moment, may I direct a supplementary question to the President of the Treasury Board?

Mr. Speaker: Order, please. The hon. member can do so with unanimous consent of the House. I might say that I stretched a point in allowing him to ask his question when the question period was ending. I must now ask whether the House gives unanimous consent.

[Mr. McGrath.]

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The hon. member cannot ask his supplementary. Orders of the day.

GOVERNMENT ORDERS

CLEAN AIR ACT

MEASURE RELATING TO AMBIENT AIR QUALITY AND CONTROL OF POLLUTION

Hon. Jack Davis (Minister of Fisheries and Forestry) moved that Bill C-224, relating to ambient air quality and to the control of air pollution, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I take pleasure today in introducing the second reading of Bill C-224, an act relating to ambient air quality and to the control of air pollution in Canada. The short title of the bill is the Clean Air Act. It deals with the quality of our Canadian atmosphere. It deals with the setting up of a number of monitoring stations across the country, research into air pollution, arrangements for the setting up of air pollution abatement projects, and the enforcement of air quality emission standards from coast to coast and from the international boundary line to the high Arctic.

There are frequent references in this new clean air bill to national air quality objectives, national air quality guidelines, and national air quality emission standards. The word "national" turns up again and again. This is deliberate. We want our clean air regulations to be truly national in scope. We must insist on their enforcement in every province in Canada as well as in the Yukon and Northwest Territories. These regulations dealing with air quality objectives, air quality guidelines and air quality emission standards will, therefore, be truly national in scope. They will not be regional; they will not be provincial; they will not be local. They will be Canada-wide in their extent; they will be Canada-wide in their application.

I stress this point because a number of members opposite have expressed some scepticism. They have accused the government of taking a fragmentary approach to pollution abatement in Canada. I have denied this. I have denied it repeatedly in this House. I can now point to numerous clauses in our new clean air bill to prove my point.

As I said last week during the debate on the government organization bill, this government is opposed to the creation of pollution havens in this country. We want

industry—and particularly new industry—to meet truly national standards. We want these industries to design their plants and run their operations in such a way as to meet national norms. We want them to meet our national standards at all times. We want to prevent big industry from exploiting the economic weaknesses in some parts of the country. We want to stop pollution havens from being created in the less fortunate and less affluent parts of our nation.

I have already used several terms which require further definition. I mentioned national air quality objectives, national air quality emission guidelines and national air quality emission standards. I should like now to say what I mean when I use the words "objectives", "guidelines" and "standards", and to do so before I go on to discuss some of the major powers and institutions referred to in this bill.

Air quality objectives relate to the great outdoors. These objectives are standards writ large. They are—

Mr. Speaker: Order, please. I apologize to the minister but I understand that the hon. member for Comox-Alberni wishes to rise on a question of privilege.

Mr. Barnett: Yes, Mr. Speaker. Some of us are really quite interested in what the minister is saying. I am wondering whether he could be given the courtesy of a less noisy background in this chamber.

Mr. Davis: Mr. Speaker, I began by saying that air quality objectives relate to the great outdoors. These objectives are standards writ large. They are standards applied to large volumes of air over large areas of Canada. When we talk about objectives we are talking about ambient air. We are talking about large quantities of air. We are talking about the quality of air in general. We are talking about air in which there may be a number of pollutants. These may be widely dispersed. They will be dispersed as they are in the air we breathe, whether it be downtown in a major city like Toronto or out on a mountain peak in the Rockies.

Air quality objectives, then, relate to the big air and to the average air sample in a sizeable area, zone or region. Objectives, to repeat, relate to ambient air or air in general. They do not relate to particular points of emission—points of emission such as the top of a smokestack or the jet pipe of an aircraft taking off from Malton airport near Toronto.

Air quality emission standards do relate to points of emission. Standards, in other words, apply at the source of the pollution itself. They are measured at the outlet point. They are measured at the top of a smoke stack or at the tail end of a jet pipe of a DC-8. So standards are definite as to location. They nail down the quality of the effluent at its source. They are more precise. They are enforceable by regulation.

I have left the word "guidelines" to the end. Guidelines are standards of a sort. They also apply at the point of emission, at the top of a smoke stack or at the end of the jet pipe of a DC-8. But they are not enforceable. They are recommended standards. They are standards that we should like to see enforced. They are standards which may well be enforced in the future. They are a guide to future action. They are an indication that, sooner or later, we may be declaring these same guidelines to be standards and enforcing them at the source of the pollution itself.

• (12:00 noon)

I referred earlier to air monitoring. Bill C-224 enables the federal government, to quote the bill, "to establish, operate and maintain a system of air pollution monitoring stations throughout Canada". It will permit the federal government, in other words, to flesh out our present national air sampling network. Federal and provincial efforts in this direction will be further integrated and the data flowing from this improved network will give us a comprehensive picture of the incidence of air pollution, not only in urban centres, but also in the great Canadian outdoors. This data from the air monitoring network will be used not only for spot purposes in particular locations, but also to give us a better idea of long term trends. We will be able to forecast what is likely to happen over a period of time. We will be able to trace the effectiveness of special abatement programs aimed at improving the quality of the ambient air in our big and great outdoors.

Referring again to our proposed air quality objectives—the objectives which apply to the big air outdoors—I should like to say this: these objectives will apply to individual pollutants. Take sulphur dioxide, for example; we will have uniform ambient air quality objectives established for the entire country. These objectives will name the concentrations in terms of hard numbers, indicating what is desirable, what is acceptable and what is tolerable in this country. These objectives will be developed using all the scientific data we can gather from domestic sources and from other countries. We already have a considerable expertise of our own. By using all this data and all this expertise in respect of sulphur dioxide, for example, we will come up with a framework of air quality objectives regarding one pollutant after another.

The framework to which I refer is described in a position paper on air pollution which I will shortly be distributing to hon. members opposite, if I have not already done so. It will be made available in quantity to members of the Standing Committee of the House of Commons on Fisheries and Forestry which, I hope, will be reviewing Bill C-224 on a clause by clause basis. Our framework for national air quality objectives postulates three ranges; they are "desirable", "acceptable" and "tolerable". The desirable band of the range describes the lowest range of concentration of a pollutant which is desirable in this country. The next describes a middle range or less desirable range of concentration of a pollutant. This is the acceptable range. Finally, there is the tolerable range which reports the highest concentration tolerable in this country. To go beyond the tolerable range, by definition, gets us into the intolerable. Once a situation becomes intolerable, in so far as an individual

pollutant in this country is concerned, all our resources national, provincial and local, must be brought to bear on the cause of the problem. These resources must be brought to bear to correct a situation which exists.

These three broad bands of ranges, in rising degrees of concentration in a community, will be worked out for each pollutant, and specific mixtures of various pollutants. They will deal with average concentrations of these pollutants in the big air outside. They will deal also with long and short-term considerations. The lower limit of the desirable range will correspond to the normal background concentration, or detectability of a pollutant. The upper limit of the tolerable range is the maximum tolerable concentration of the selected pollutant, and whenever and wherever it is experienced this would place an unacceptable or intolerable burden on the people of Canada.

Our long term national goal is to have ambient air in all parts of Canada falling within the desirable or lowest range. This will take many years to accomplish. It, therefore, represents a long term goal for many parts of Canada. It forms a sound basis for an anti-degradation policy for the unpolluted parts of Canada. It clearly indicates the long term target for our more heavily built up and industrialized areas of the country.

The use of these three ranges, in rising degrees of concentration from desirable through acceptable, and through acceptable to tolerable, fits in with our need to establish priorities in tackling the problem of air pollution. The areas which show the highest concentrations are the first to attract our attention and concern. The areas in which deterioration is continuing to take place must also be given high priority. Of course, we will be publishing much of this information on a day-to-day or a month-to-month basis so the Canadian public will also have an idea of what is going on in this regard.

Our surveillance programs will also be linked to these ranges. The extent and sophistication of our surveillance will increase as the pollution levels increase from the desirable through the acceptable and to the highest or tolerable range. In this range, the surveillance will be designed not only to identify time trends, but also to locate the major sources of pollution as well.

Control standards and methods of enforcement pose other problems. Strategies will have to be developed for each stage of production; that is to say, for the raw material stage, the actual processing stage and the waste dispersal stage for each industry. Control at the raw material or processing stages in industry is usually most effective. These controls are usually more effective because they are more easily and readily administered, and also go to the source of the pollutant. It is further envisaged that, in addition to setting formal control standards, that is to say standards at the chimney top or at the outlet of a jet pipe, all three levels of government will attempt to convince industry to follow the practice of using the best available technology approach. This will apply with particular force to new installations, new plants and new additions of machinery and equipment used by industry and by government in this country.

[Mr. Davis.]

I have been talking so far as though the main polluters were industrial plants and government institutions. The Canadian public is also a major offender. Take our use of the automobile, for example. We will have to bear down on regulations in respect of engines that are installed and the fuel they use. We will have to get the lead out, so to speak. We will have to move in on the various kinds of fuel which we as individual Canadians burn. We can do this by controlling the quality of the fuel at its source. We will have to get the lead out of our gasolines, and we can do this by using the new sections of the new clean air act which focus on fuel of all kinds.

It is possible for us to decree at the federal level what kinds of fuel are manufactured in Canada as well as the design of fuel burners. We can control fuel and fuel-using engines at the manufacturing or factory level. We can also stipulate that imports of fuels and imports of machines meet our new Canadian standards. Again, we can deal with this big air pollution problem at a relatively few points of manufacture and points of entry.

The bill we have before us today will provide us with yet another weapon to add to our arsenal of Canadian laws dealing with pollution of all kinds, air, water and soil. We already have the Canada Water Act, which was passed during the last session of Parliament. We have amended the federal Fisheries Act and we have put more teeth into the Canada Shipping Act. Our main thrust so far, however, has been directed towards the quality of water in this country. Now, we are turning to air in the belief that air pollution also poses a serious threat to our environment. While it is not as obvious as water pollution, it may be more insidious in many ways. It may well be a greater threat to human health than water pollution. It may also be more pervasive and more embracing than many of us think.

• (12:10 p.m.)

Let me give you an example. Let me focus on oil pollution for example. I am told that the amount of oil dumped or lost in the seas and oceans in the world amounts to around two million tons a year. Fifty million tons a year evaporate and are otherwise discharged into the atmosphere. In other words, we are pumping 25 times as much oil into the world's air mantle as we are into salt water. Much of the oil which goes up also comes down. Much of it comes down into the oceans themselves. Our experts tell me that at least ten million tons comes down in the seas around us. In other words, air transported oil is five times as effective in polluting our oceans as are the oil tanker spills and other kinds of spillage. This is a very round figure. It may be out by an order of magnitude. But it proves that air pollution is a serious matter. It also indicates that air pollution is a major source of our environmental difficulties, not only locally in our cities, but also at the far ends of the earth.

What I have said about oil applies equally to heavy metals. It applies, also, to the chlorinated bi-phenyls such as DDT and PCB's. No wonder our scientists are finding DDT in the flesh of penguins caught in the Antarctic. No

wonder fish are showing high concentrations of lead in the waters off southern California.

As hon. members know, we have proceeded first in our attack on pollution in water. Canadians generally have recognized that the pollution of our rivers, lakes and ocean fronts needed action. The froth, the scum, the closed beaches, the dead fish, were there for all to see. But now they are becoming increasingly concerned with air pollution. They are beginning to notice the smog. They are beginning to look on smoke, not as an indication of industry in progress, but of inefficiency, slothfulness and a wilful disregard for the quality of life around us.

Most provinces, today, have water authorities. They have provincial departments concerned with water management. They have water pollution control boards and they have water commissions. Now, they are beginning to ask their pollution control boards to look at air as well. They are also beginning to develop their own clean air acts. It is appropriate, therefore, that we take the lead at the federal level; that we provide a basic framework within which the provinces, and the municipalities, can develop their own laws and their own local standards.

Knowing of their interest in, and their concern about, air pollution, I have visited all our provincial capitals in recent days. Without exception our provincial authorities, who are concerned with air pollution, have welcomed our federal initiative in respect of clean air. They have welcomed the idea of national ambient air quality objectives. They like the idea of national guidelines. They are prepared to accept national air quality commission standards set at the point of emission. All they ask is that they be consulted, that they have some say in the development of these particular objectives, guidelines and standards. I have given them that assurance. And, having been given that assurance, they have encouraged us to do all we can, not only to eliminate the worst examples of air pollution in this country, but also to project our own Canadian thinking on air quality to other countries and into the international sphere as well.

As I said earlier, Mr. Speaker, we are placing considerable reliance on our federal concern about human health in the clean air bill. Air pollution can strike directly at the health of human beings. Man has no choice but to accept the air he breathes. He has to breathe it whether it is polluted or not. By contrast, man can avoid polluted water. He can drink other things. He can process polluted water and make clean water fairly easily. But, in respect of air pollution, man is in the same vulnerable position as a fish in a polluted lake. He has to live with the pollution. He has to live with it and adjust to it as best he can.

Again, air moves. It moves from place to place, from region to region and from nation to nation. It sweeps across continents and oceans as well. It carries many foreign substances along with it and some anti-life substances. It carries them over great distances. If, by any chance, some of these pollutants get into the upper atmosphere they may stay there for years. Eventually, they can fall out again. But when they fall out again they may well land on another continent or end up in the oceans themselves. They may go indeed to the ends of the earth.

Air pollution presents us with yet another problem. It is sometimes difficult to pinpoint the sources of pollution itself. Changes in weather and in the direction of air currents make it difficult to put the finger on specific points of emission. They can only be identified over time. They can only be identified as a result of a great deal of research and as a result of a great deal of effort particularly at the national and even at the international level, and this costs money.

We know that the economic burden of air pollution is very high indeed. Our economists tell us it costs Canadians somewhere between $1 billion and $2 billion annually. If you add up health costs, building maintenance costs, corrosion costs and cleaning costs, you end up with a very impressive figure indeed. It amounts to several per cent of our gross national product. It is worth eliminating, not only in terms of human health and comfort, but also in terms of economic efficiency as well.

In developing the bill before you now, the government has been guided by certain principles. We recognize that the provinces have a direct responsibility in respect of air pollution. Considerable emphasis must therefore be placed on co-operation between the federal government and the provinces. This can be best accomplished by the federal government entering into formal agreements with the provinces for the purpose of designating air quality problem areas, for the development of special air control measures, and for the development of air quality enforcement procedures. There is also recognition of the need for direct federal action in the event of the failure of other levels of government to take the necessary corrective measures to control air pollution where such pollution affects or is likely to affect health and indeed life. We also see the need for national air quality objectives to serve both as long term goals and to prevent further deterioration of existing air quality.

In drafting the legislation we have come to grips with the basic problems involved in trying to protect the quality of air. I will now try to briefly describe some of these problems. We need to know more about the causes and effects of air pollution and the bill will allow us to work closely with the groups within Canada and in other countries that are involved in this vital area. I should note the valuable work done by the Department of National Health and Welfare—which laid much of the groundwork for Bill C-224—by the Department of Agriculture, the Department of Fisheries and Forestry and others, was basic to the development of this legislation.

From these departments, and as a result of close co-operation with other segments of our scientific community in Canada, we have begun to close the gaps in our scientific knowledge about the effects of pollution on

various receptors—man, vegetation, wildlife and so on. As our technology advances and as society continues to inject enormous quantities of waste into the air, soil and water environment we must be ever more alert to potential hazards. We must therefore, ensure that we are before the fact in respect of our research. We must anticipate. We must make sure we are heading off emergency situations and not dealing with them after they occur.

• (12:20 p.m.)

Finally, Mr. Speaker, we believe that the public's concern, combined with industry's new awareness of its responsibilities, will lead to enthusiastic compliance with the major provisions in this bill. But we must have methods to ensure its compliance. Thus, there are inspection provisions and substantial fines incorporated in the text of Bill C-224 as well. If the bill stopped there, I think we could say that it was a good piece of legislation, but one essential element would be missing. I do not believe that this or any other government has the right to impose pollution controls on industry and the ordinary citizen unless it is prepared to live by the same rules. Bill C-224 makes clear this government's intention to put its own house in order, to make sure that federal establishments meet our national standards and exceed them by a considerable margin wherever possible.

This brief outline of the provisions of the bill will be expanded when the bill comes before the standing committee. I hope that at that time a number of our officials will be available, especially those who have not only helped to develop the text of this act but who have also had considerable experience working with our provinces, municipalities and industries over the years.

In my opening remarks on the new government organization bill recently, I stressed the interdependence of life forms on this planet. I said that there was little sense in shutting off air pollution emissions from a factory stack, only to find that they were being dumped into the river or plowed into the soil. Within our new department, whatever its name may be, we will be taking an over-all approach to pollution. We will have the technical expertise to deal with it in all its forms.

In summary, I believe that our main problem is to deal with man and his habits, essentially with man's greed for material gain. This is really at the root of our environmental problem. Psychologists tell us that man has a hierarchy of needs ranging upward from those associated with basic survival, through security needs and social needs, eventually to recreational needs. It is ironic that our interest in air pollution control begins at the top of the scale, essentially with a concern by the general public for aesthetics, people who can no longer enjoy the view of Mount Royal from Sherbrooke Street or Grouse Mountain from Hastings Street in Vancouver. But now our concern is related to our most basic needs.

This bill focusses more directly on human health and indeed survival. The bill will provide us with the framework and the mechanism to carry out this fight for our survival. It warrants the support of all Canadians, and it certainly warrants the support of members from all corners of the House. I hope we can clear second reading of the bill this afternoon and get on to the detailed committee stage of the bill in the Standing Committee on Fisheries and Forestry next week.

Mr. Louis-Roland Comeau (South Western Nova): I welcome the speech which was delivered by the minister in the House, a copy of which was sent to us by the officials of the department. I want to say at the outset, so that I will be understood immediately, that members of this party accept the principles and objectives stated in the bill. I will have some questions to raise to which I hope we will receive answers, perhaps on second reading. Possibly we will be able to receive more answers in the committee. However, we do accept the broad principles, or at least the objectives, which the government is trying to achieve through the bill before us.

One thing that concerns me is that the bill was introduced in the House and given first reading on February 9. Today is February 19, so exactly 10 days have elapsed since the introduction of the bill. This means that the opposition members and the public have been given only a few days to examine the bill and to form an opinion on it. This is typical of this government which talks about participatory democracy and yet allows only 10 days to investigate such an important subject and to consult with the provinces and municipalities. Perhaps this government has had a chance to consult with the other levels of government. Certainly, they have had time to do this since 1967 when the necessity for a clean air act was first made obvious.

But so far as members of the opposition and of the general public are concerned, we have only had 10 days to look at the proposed legislation and to analyse it objectively. We do not know what the feelings of the city of Montreal are with regard to the bill. Only one editorial has appeared on this subject. I have looked through all the newspapers in the reading room and that is all I have been able to find. As I said, we have been waiting for this type of legislation for three years, and now we are only given 10 days to examine it. This only points to the fact that the government does not have a plan for the legislation they propose to put forward this year. This is an obvious deduction from the fact that three or four bills have been placed before the House only a week after their introduction. I object to that practice very strongly.

We should have been given much more time to study this measure. If the government had been really anxious to introduce a bill to cope with this problem, they could have introduced it last September because they have had three years during which to prepare this legislation. Today, it is urgent that a clean air bill be implemented. However, let me remind the House that we have been pressing for it for three years, and now we are given only one week in which to prepare our comments on it. It is a darn shame that the government has not planned its

legislative program in a much better fashion, so that we could have been given the opportunity to criticize this or any other type of legislation objectively.

Another thing to which I object is that, according to the cover of Bill C-224, the minister who introduced the bill was the Minister of Fisheries and Forestry (Mr. Davis). Inside the bill, however, we find that "the minister" means the minister of the environment. There is no such man as the minister of the environment. I almost raised this as a point of order at the beginning of the debate, but I did not do so because I suspected that Mr. Speaker had a look at the bill and, therefore, I thought I might be wasting the time of the House. But I wish to point out, if only for my own satisfaction, that the minister of the environment has not yet been created. The government organization bill has not yet been passed. This points out the lack of planning of this government with respect to its legislative program.

There was a public relations announcement with respect to the establishment of the new department in which it was mentioned that the minister of the environment would be introducing the clean air bill. However, there is no such thing as the department of the environment at present. Perhaps the time to change the wording will be when the bill is before the committee, but I point this out merely to show that the minister takes everything for granted. The government takes it for granted that the government organization bill will be passed. The government and the Minister are so sure they are not going to accept any amendments that they are able to say, "Even though the department is not established as yet, we will mention it in this bill". At this moment the department of the environment is not established. If it is not, then the government has no right to tell us that it will not accept any amendments with respect to the government organization bill, and it has no right to include the name of the new department in this bill.

• (12:30 p.m.)

Mr. Pepin: Today you are against planning, another day you say, "They don't plan." You don't know where you are going.

Mr. Comeau: You are absolutely right, Mr. Minister, when you say you don't plan. A member only needs to look at the Order Paper to see what is there. There may be ten pieces of legislation that have to be introduced. This is one that has been coming for a long time. It just points out the arrogance of the government and the contempt it has for Parliament. Ministers don't give a darn about debate on the government organization bill. They say, "It is going to pass. If it passes next year that will be all right, but we are not going to accept any amendments."

Mr. Deputy Speaker: Is the minister rising on a point of order?

Mr. Davis: May I ask the hon. member a question. Is he aware of the fact that if the government organization bill does not pass, or if it has not passed in time, it will be imperative to change the name to "Fisheries and Forestry"? This presumably would be done in the standing committee, and I assume the member would have an opportunity to attend that committee and discuss every clause in the bill.

Mr. Comeau: But that is what I was saying. We hope the members of the committee will have an opportunity to change the name. That is why I did not raise a point of order at the outset. But I know very well, as do other hon. members, that the government will not change it anyway.

Mr. Davis: But it will have to.

Mr. Comeau: That is the way it operates. But do we have any assurance that this bill will not be completed before the reorganization bill is passed? The way the organization bill is moving at the moment it does not look as though it will get an easy third reading.

However, Mr. Speaker, this bill incorporates seven main ideas. It proposes to establish, operate and maintain a system of air pollution monitoring stations throughout Canada. As I understand it, data obtained from these monitoring stations would be compiled and published on a regular basis. At present there are 25 monitoring stations across the country covering all provinces except Newfoundland and Prince Edward Island. What will happen with respect to those two provinces? There is nothing in the bill which says that additional stations will be built in them.

The minister dealt at length with the question of national standards, and started off by saying that the word "national" appears in several places throughout the legislation. It is true that it does, but what does it say? The bill gives authority to set national air quality objectives, not standards, and to set national emission standards where there is significant danger to health, or where international agreements on air pollution control are involved. It also gives authority to set national guidelines. So, the word "national" appears many times but there seems to be confusion, and there certainly is confusion in my mind. Are there real national standards, or what is all this talk about guidelines and objectives?

As I understand the bill, national emission standards may be set if emissions constitute a significant danger to human health or violate international agreements into which Canada has entered. I shall deal with the problem of international agreements later. Not long ago an IJC report was filed dealing with this matter. These standards will specify the amount of any pollutant allowed from any stationary source or coming from any federal premises.

As I understand it the federal government may also publish national emission guidelines, and these will be different from standards because they will be enforced through persuasion rather than by law. As I understand it, guidelines will be used in those provinces which do not conclude special agreements with Ottawa. These are

questions that the minister will have to answer in the committee. If Ottawa does not have special agreements with the provinces, then the standards will certainly not be national.

When we are discussing these things in the committee we can quote the very tough terms the Minister used within the past year or so, and even recently in this House as recorded at page 2830 of *Hansard*:

—why run the risk of losing everything when uniform national standards can provide us with all the protection we need?

He has talked in that way about air and water. But now, we find that according to this bill that attitude depends on agreements with the provinces.

Mr. Davis: That is not true.

Mr. Comeau: That might not be true, and if it is not then I can be corrected in committee. The parliamentary secretary can talk for himself. I am just raising these questions because there has not been enough time to examine the bill thoroughly. We have had only ten days.

• (12:40 p.m.)

Another of the seven main points deals with the right to set emission standards in the case of federal works. This is good. First of all, we must set an example before trying to impose on others things we are not willing to do ourselves. I mentioned at one point the matter of agreements between the provinces. I think the minister dealt with this when introducing the bill. We have read what he intends to do in that regard. The sixth point has to do with inspectors, analysts and so on. As I understand the bill, an inspector may enter premises emitting air pollutants and take samples. After that, I suspect he will make a report and see that the law is enforced. The other point I wish to deal with in general at this time is this. The public must be assured that their rights are protected.

Having alluded to all these points, may I now return to the question of national standards, or emission standards as they are called, or to the guidelines which are discussed throughout the bill. So far as I can see, nothing in this bill tells us what these guidelines or standards are. They have not yet been established and there is no information as to when they will be established. Therefore, this bill cannot be implemented until the guidelines or so-called national standards are set out. This omission is typical of the government. When dealing with the question of oil pollution under the Canada Shipping Act, it did the same sort of thing. This happened three of four months ago. The government said to shipowners that their ships could not enter Canadian waters until a federal pollution inspector had inspected the ship. However, the owners do not know what standards the ships must meet if they are to operate in Canada under the law.

The same sort of thinking applies to these so-called national standards and guidelines. The regulations have not yet been promulgated and this bill cannot be implemented until that has been done. I hope that when the minister first appears before the committee he will say to us, "Look here, these are the types of regulations that we shall be issuing." Unless those regulations are established, we are wasting our time here. Unless those regulations are established, the people will be able to say that the government is introducing this legislation for political show, to make people believe that it wants to clean up the air. Without regulations the legislation is meaningless. I ask, in the absence of regulations how is an inspector to know whether sources of potential pollution are meeting national standards? How is he to know what those standards are, when the criterion for those standards has not yet been established? How is an inspector to judge these matters until these regulations are promulgated?

The bill relies solely on agreements with the provinces. Before any positive action can be taken, there must be agreement. This part has been included in the bill in good faith, as I understand. It is hoped that there will be agreement with the provinces. I should be interested to see what initiatives the government will take to make sure that every province has comparable legislation or is willing to accept the provisions of the present legislation. That is why I say that more than one week is necessary for the study of this matter if we are to discover from the provinces whether they are able to accept what is in the bill or whether there is to be any comparable provincial legislation.

I return to the question of standards. Although the bill speaks of what the minister calls national standards, these standards in reality are a little bit of window dressing. Inasmuch as those standards can be applied to federal works undertaken by business, they can be called national standards, I suppose. But they can only be enforced in the provinces if the provinces agree. If the province concerned agrees to the standards, everything is fine. However, if the province does not agree to accept these so-called national standards, then there is absolutely nothing that the federal government can do to implement those standards in the province in question.

Mr. Davis: That is not correct.

Mr. Comeau: If that is not correct, I hope that the minister will explain these matters in committee; because that is how it appears to me.

Mr. Aiken: Challenge the minister.

Mr. Comeau: This is my interpretation. I challenge the minister to tell us where the Bill makes provision for this. I see the parliamentary secretary is making a note to tell us in his reply where the bill provides for the establishment of national air quality standards.

Mr. Aiken: It does not.

Mr. Comeau: Where in this bill is there language setting out national air quality standards?

Mr. Aiken: It is not in the bill.

Mr. Comeau: The hon. member for Parry Sound-Muskoka (Mr. Aiken) says that it is not there. I have not seen it.

Mr. Aiken: And the minister said twice that it is in there.

Mr. Comeau: He has lots of explaining to do. He knows darn well that that language is not in the bill. The word "national" appears in lots of places; the bill is polluted with that.

Mr. Corbin: We will give the hon. member another ten days.

Mr. Comeau: It appears that everything is based on agreement with the provinces.

Mr. Davis: That is not correct.

Mr. Comeau: The minister says that is not correct. I repeat the challenge I gave to him when he was talking to the hon. member for Burnaby-Seymour (Mr. Perrault) and trying to obtain information. When he replies at the end of the second reading debate, I challenge him to point out where in this bill there is provision for the establishment of national air quality standards. I submit that that provision is not in the bill.

Mr. Davis: Does the hon. member want the page?

Mr. Comeau: The minister must look at the bill again. Perhaps he has not had the time to examine the bill, because we have spent very little time on this matter.

Mr. Davis: Perhaps the hon. member ought to read the bill.

Mr. Comeau: May I turn to another point? There will be difficulty in obtaining convictions, and the penalty on conviction is a fine only, so far as I can see. I wonder whether fines will mean very much to industries that have been convicted. Is it contemplated, for example, that jail sentences will be meted out in certain circumstances? Perhaps we ought to discuss that in committee. Also, the legislation makes no provision for citizens to sue air polluters or for individuals to sue the government or to sue inspectors who have failed to do their job. The Ottawa *Citizen* of February 1, 1971 reports an interview with the Minister of Fisheries and Forestry. Near the end, the article reads in part:

> Mr. Davis said the question of citizens' pollution rights was under consideration.
>
> 'We're hoping to come forward with a piece of legislation within 12 months which will deal with this respect to all kinds of pollution within federal jurisdiction,' he said.

Apparently, therefore, Bill C-224 is not the total legislation that we can expect with regard to air pollution. That is what the article means. If the government is not ready to proceed with legislation in this area, why does it not wait until it is ready? Before the establishment of these objectives or initial standards no public hearings are to be ordered, if I understand the bill correctly. All these things will have to be taken into consideration and I hope some answers will be forthcoming from the minister with respect to provincial agreements and the other points I have raised.

• (12:50 p.m.)

An interesting editorial appeared in the Montreal *Gazette* of February 15. The writer had been in a position to study the bill for four days. It reads:

> The federal government's clean air bill is a slight step forward. It promises, essentially, to set standards of air quality. Standards are fine. Standards are needed. But what do they accomplish by themselves?
>
> Montreal already has standards. They do not prevent hazardous situations of the kind which existed here several days ago—

Mr. Pepin: What do you suggest? Bring back the death penalty?

Mr. Comeau: I hope the minister will make a speech on this subject. He is affected by it and we should like to hear more of his interventions. As a rule he just comes out and smiles at us. Even when he is serious, he smiles. If the minister responsible for this bill is correct, and these standards are national standards, and it is desired to make them effective, how can we ensure that something will be done with respect to preventing air pollution?

Mr. Davis: Pass the bill.

An hon. Member: You are not used to that.

Mr. Comeau: Oh, the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) always makes his usual comment. He sits there in the back row and that is the sort of comment he makes. That is how effective he is. They even kicked him out of—well, I will leave it at that.

We can pass all the regulations and all the pollution measures the minister wants us to pass. We have been dealing with all kinds of pollution bills in the last couple of years. But you cannot enforce a lot of these damn things.

An hon. Member: That is a four-letter word.

Mr. Comeau: Not as bad as the ones used by the Prime Minister. I do not degrade myself.

Some hon. Members: Oh!

Mr. Comeau: Anyway, money is needed in order to comply with these regulations. The government's attitude with respect to all these pollution programs has been "Kick industry around". I am not saying industry should not be kicked. Industry has to be kicked around. But we have to accept our responsibilities, too. Toronto, Ottawa, Montreal—these are not industries. They are municipalities, and they must have money if these regulations are to be enforced.

What happens around the Detroit-Windsor area? Large sums of money will be needed to clean up pollution there

and it can only come from the federal government. Until the federal government is prepared to make a budget available for dealing with pollution problems, these regulations cannot be enforced.

The whole question of international agreements in this field is an interesting one. A few weeks ago the Secretary of State for External Affairs (Mr. Sharp) tabled a report in the House dealing with the pollution of the Great Lakes and other matters. The report stated that it would cost something like $66 million to clean up the air to the standard of Ontario's maximum permissible pollution levels and that most of the money would have to be spent in the heavily-industrialized Windsor-Detroit area. Obviously, money has to be provided, and, equally obviously, good international relations must be established with the United States.

These are only some of the difficulties the minister will have to face. I trust he will be prepared to accept amendments put forward from this side of the House in the course of the debate. We shall be prepared to explain our objections to the measure more fully in committee.

Mr. Harding: It is almost one o'clock, Mr. Speaker. May I call it one o'clock?

Some hon. Members: Agreed.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Richard): Order. The hon. member for St. John's East has a point of order.

Mr. McGrath: Mr. Speaker, I rise on a point of order which relates to our proceedings at the present time. Prior to the adjournment at one o'clock the hon. member for South Western Nova (Mr. Comeau) made the point that this bill was not properly before the House—at least, that was the thrust of his remarks—because the interpretative clause of the bill, clause 2, paragraph (h) defines the minister as the minister of the environment. There is no minister of the environment.

There is at the present time a bill before Parliament, Bill C-207, the government organization bill, and included in that bill is a section dealing with the proposed department of the environment. That bill is presently under debate before the committee of the whole House. I have an amendment to it, also currently being debated, which seeks to change the name of the proposed department of the environment to department of fisheries and the environment. Consequently, I submit to Your Honour that this bill is not properly before the House because it is consequential upon Parliament passing Bill C-207. Parliament has not given its consent to Bill C-207. Accordingly, I submit to Your Honour that the bill now before the House should be withdrawn until the House has disposed of Bill C-207.

• (2:10 p.m.)

The Acting Speaker (Mr. Richard): Are there any other comments?

Mr. Macdonald (Rosedale): Mr. Speaker, you will recall arguments of the same kind made in the House during the last session when we had a number of bills of an interrelated nature dealing with the question of water pollution, and more specifically the Canada Water Act. At that time the Chair had the opportunity of considering similar points of order and rejected at that time those points. In response to the hon. gentleman I should like to suggest that the question has been considered by the Chair in the past, and I would invite the Chair to examine this precedent of last year. In the meantime may I suggest that until the Chair has had an opportunity to examine those precedents in detail we should proceed with the debate on second reading.

The Acting Speaker (Mr. Richard): Are there any further comments?

Mr. Comeau: Mr. Speaker, I do not know whether Your Honour has had a chance to look at the remarks I made on this subject just before one o'clock, but on the basis of what the former President of the Privy Council has stated we could never introduce anything new in this House. All decisions would be based on previous rulings. The fact is that if this bill is passed it will make a mockery of the amendment moved by the hon. member for St. John's East (Mr. McGrath) to Bill C-207. This bill again anticipates how the House of Commons will deal with the government organizational bill. The government will not accept any changes or amendments, specifically the amendment of the hon. member for St. John's East. I suggest that only Parliament can decide if an amendment to a bill is acceptable. I suggest that this bill is not properly drafted and that it should not be brought before the House at this time.

Mr. Barnett: Mr. Speaker, I should like to say a word or two on this matter. As Your Honour may be aware I supported the proposed amendment to the organization bill. However, I suggest that if there is any question of the propriety of this bill being before the House, that question should have been raised before the minister was allowed to speak on the bill. Apart from any other consideration that might be given, the fact that no objection was raised on this point at the commencement of the discussion, with the House being allowed to carry on with the debate, would in fact indicate that the bill is in order.

Mr. McGrath: Oh, come off it, Tom; that's terrible.

Mr. Barnett: Mr. Speaker, I submit that the debate has been allowed to continue without prejudice to the dispo-

sition of the amendment to the other bill and, therefore, really it is not in accordance with the procedures of this House to raise this point of order at this stage of our proceedings.

Mr. Lundrigan: Mr. Speaker, I have two very brief points to make. Our remarks should not in any way be taken as belittling the importance of this legislation. The hon. member for South Western Nova (Mr. Comeau) indicated our feelings earlier today about this piece of legislation. My first point is in response to the suggestion of the hon. member of the NDP. The bill now before the House stands in the name of the Minister of Fisheries and Forestry (Mr. Davis). This, in itself, is very confusing because when one reads the bill he finds the minister of environment mentioned all the way through. I was surprised to find this to be the situation. I am sure many other members were confused by the way this bill was presented. It creates a false impression. I do not blame anyone but in fact, on the cover of the bill, there is a reference to the Minister of Fisheries and Forestry. Throughout the bill there is reference to the department of environment.

My second point relates to the remarks of the former House Leader, the present Minister of National Defence (Mr. Macdonald). The Minister of National Defence referred to a precedent set by a ruling of Mr. Speaker some time ago. That ruling would indicate that legislation which is anticipatory could be passed by the House. I contend that in the present situation we have a unique set of circumstances which cannot be decided upon the basis of the precedent cited by the minister. There is before this House a proposed amendment to the effect that there shall be a department of fisheries and environment. That amendment is vitally important to all marine areas in Canada on the Atlantic and British Columbia coasts. The amendment proposes that there shall not be a department of environment but that there shall be a department of fisheries and environment.

If we accept the bill now under discussion as it is drafted, we will be anticipating the results of proposed legislation. We will be anticipating that the House will create a department of environment. The amendment before the House in respect of Bill C-207 suggests there shall be a department of fisheries and environment. This bill refers to the minister of envionment and, therefore, anticipates the establishment of a department which does not now exist.

If we agree to Bill C-224 we will be passing legislation that cannot be enforced because there is no such department and no such minister. If we vote for Bill C-224, then, in effect, we are voting against the amendment of the hon. member for St. John's East to Bill C-207. This is a reiteration of remarks made on February 17, but the situation now is more serious. If we pass this bill we are legislatively ruling out the possibility of accepting the hon. member's amendment to Bill C-207. If that happens, we might as well give up the ghost. I am not speaking as a Conservative Member of Parliament but as a Canadian legislator.

In respect of the remarks of the Minister of National Defence, I suggest the situation now before the House is not the same as the situation which resulted in the precedent to which he referred. The amendment before the House to Bill C-207 is completely different. While I support this legislation, I suggest it should be withdrawn until we conclude our discussion on Bill C-207.

• (2:20 p.m.)

Mr. McGrath: Mr. Speaker, would you permit me to make one further comment in relation to the remarks of the hon. member for Comox-Alberni (Mr. Barnett), as referred to by the hon. member for Gander-Twillingate (Mr. Lundrigan)? The front page of the bill now under discussion refers specifically to the Minister of Fisheries and Forestry and the body of the bill is anticipatory because it refers to the minister of environment. In this way, the government is anticipating a decision of the House of Commons. It anticipates that Bill C-207 will be passed without amendment and that clause 2 will be accepted. Clause 2 is now before the committee of the whole House and has not been voted upon. In this respect, I am surprised and somewhat disappointed that the custodian of the rules of the House of Commons, the hon. member for Winnipeg North Centre (Mr. Knowles), has not taken part in this very interesting debate. I had expected he would have been in the forefront of this debate to protect the rights of Parliament.

If I may continue, Mr. Speaker, I should like also to refer Your Honour to my point of order which was raised on February 17 and which can be found at page 3489 of *Hansard*. This was a point of order I raised in the committee of the whole House. It had to do with the government anticipating the actions of the House by bringing in estimates for the department of the environment, which is in effect the proposed department of the environment. Again the government was anticipating something which it had no right to anticipate, namely, that Parliament would give consent to the government's proposal and as a consequence thereof that Parliament would reject my proposal which is now before the committee of the whole House. My proposal is an amendment to the bill to change the proposed name of the new department from the department of the environment to the department of fisheries and the environment.

I submit to Your Honour that the government has no right to anticipate the actions of Parliament in this regard and, consequently, that the Chair has an obligation to protect our rights by ordering the withdrawal of this bill which is not properly before the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe this is the second time this week my good friend, the hon. member for St. John's East (Mr. McGrath), has taunted me because I had not taken part in a debate on a procedural point. I may say to him that I believe it is very well known that when a point of order is raised by a member of the opposition and I stay in my seat, it is

probably because I disagree with the point of order but that I am quite willing to let the government look after itself. This time, however, I am on my feet because I disagree with this point of order.

Mr. McGrath: You are not infallible.

Mr. Knowles (Winnipeg North Centre): No, but I do not raise phony points of order.

Mr. McGrath: I think you have been sucked in. Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. The hon. member for St. John's East is rising on a question of privilege.

Mr. McGrath: Mr. Speaker, I have not been here as long as the hon. member for Winnipeg North Centre (Mr. Knowles). Indeed, I have respect for him and look up to him as an authority on the rules of the House and if you like, with respect Your Honour, as one of the custodians of the rules. I suggest to you, Sir, it is not in keeping with the reputation the hon. member has in this House for him to suggest that my point of order is a phony point of order. It was raised in all sincerity and with honest intentions. I hope the hon. member will not impute these improper motives to me.

Mr. Knowles (Winnipeg North Centre): In a spirit of goodwill, Sir, if what I have said carries an implication he does not like, I apologize to my hon. friend because what we have before us is a serious matter which I think should receive serious consideration. In any event, I hope he is satisfied that he got me to my feet in connection with this point of order. I have three things to say.

First, I believe the hon. member for Comox-Alberni (Mr. Barnett) had a valid point when he spoke a moment ago. I do not believe he should have been attacked as he was by the hon. member for St. John's East. It is a fact that on January 26, when a point of order was raised in respect of the omnibus nature of the government organization bill, Your Honour ruled that the time to raise a point such as that was after the bill had been given first reading and had been printed. In other words, that is the time at which to consider whether a bill as a whole is properly before the House. It should be done before the second reading debate commences and not in the middle of it, as is the case now. I believe the hon. member for Comox-Alberni was quite right and I agree with Your Honour's ruling on that point, even though I was not happy that you did not find it possible to divide the omnibus bill.

The second thing I wish to say is that I invite my friends of the official opposition to take note that what they are raising is not a point of order against the bill as a whole but against one subclause of one clause of the bill.

Mr. Peddle: It is the right time to do it, too.

Mr. Knowles (Winnipeg North Centre): It is not the right time to do it. The time to do it is when we are on that subclause which will be when the bill reaches the standing committee to which it is being referred. There are rules about what one can do at the second reading stage. At this stage we deal with a bill as a whole and not the clauses. Unless my hon. friends have a point to the effect that the bill in its entirety is improper, I suggest they do not have a point at all. I urge them to withhold this point of order until the bill reaches the committee and that clause is under consideration.

The third thing I wish to say is in respect of the remarks made by my good friend from Gander-Twillingate about our role as legislators, the passing of bills and so on. May I say to him that we are not passing this bill at this point. We are only debating a motion for second reading and the referral of the bill to committee. If we were at the third reading stage and were passing a bill that had within it a clause which was inconsistent with some other bill that had been passed, their point would be valid and I would be backing it. But that is not the case. We are not passing a bill. We are considering proposed legislation and the likelihood is that there are a number of details in it which members may not like or which they may find offensive. However, for the life of me, I cannot see any point of order in respect of the propriety of the bill as a whole, which is what the hon. member for St. John's East has asked Your Honour to find. I hope my friend is grateful to me for having yielded to his request to take the floor.

Mr. Speaker: I thank hon. members for their contribution to the important point of order. Indeed, I consider the arguments which have been put forward so interesting, and the point itself of such interest to all hon. members, that I would suggest, if there is value in my suggestion, that we continue the debate which is going on at the present time. Within the next half hour or the next hour, I will have an opportunity, in the peace and quiet of the Speaker's Chambers, to look at the arguments which have been submitted to this House by the hon. member for St. John's East (Mr. McGrath), the hon. member for Gander-Twillingate (Mr. Lundrigan) and the very important and relevant comments made by the hon. member for Winnipeg North Centre (Mr. Knowles). Then, perhaps I can give a ruling which will be a little more thoughtful than if I gave it at this time off the top of my head. I feel the matter is important enough that I should give it a few minutes serious consideration. But I do not think the progress of the discussion should be arrested and I suggest to hon. members that whoever had the floor at the time the point of order was raised might conclude his contribution to the bill in a substantive way.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, we have started the debate on the second reading of Bill C-224, the clean air bill. I listened with a great deal of interest to the minister when he spoke before lunch and outlined the aims and objectives of this new legislation. I should like to thank the minister for his courtesy in sending me a copy of his speech so that we could follow his remarks. I regret I do not have a written copy of my speech in order to return the compliment.

• (2:30 p.m.)

Now, Mr. Speaker, there are one or two brief comments I would like to make on the minister's presentation this morning before I proceed to the main part of my talk which will deal generally with air pollution problems and then with several clauses of the bill in which I feel there is a general weakness. The minister indicated that the legislation which we currently have before the House was not a fragmentary approach to air pollution problems. Then, he indicated that he was very anxious to bring about the disappearance of pollution havens in this country, and said that the bill was heading in that direction. I would like to point out to members of the House that this legislation does represent a fragmentary approach to air pollution, and nothing could be farther from the truth than to kid the public of Canada that here we have a piece of legislation which is going to tackle air pollution from one end of Canada to the other.

Once you delve into the terms of the legislation you will realize exactly what I mean. It seems to me that this is just another example of the Canada Water Act which left the federal authorities almost powerless to act. We are going to get exactly the same type of treatment under the so-called clean air act as we did under the Water Act. I want to give one or two examples as I go along. What has the government done about automobiles? They are not covered by this bill and yet automobiles contribute 60 per cent of the total air pollution in this country. Yet, the minister and his department are trying to tell us that the proposed clean air act will tackle the problem of air pollution. I say to him that he may be able to deal with some of the fuels, but it will be the motor vehicle act under which emission standards for automobiles will be administered. There is nothing in here to deal with that. This legislation deals with nothing but pollutants from stationary sources. There is nothing here that deals with the emission standards for aircraft, one of the key problems facing the nation today because pollutants from aircrafts are doing immense damage to the biosphere.

Mr. Davis: May I ask the hon. member a question? Was the hon. member here last year when we passed the Motor Vehicle Safety Act which dealt with automobiles?

Mr. Harding: Certainly, I was. The very point I am making is that we have some standards, but there is no provision in this bill to co-ordinate the activities of these departments. We have been making this point for weeks. We are in the process of dealing with a government organization act, 1970, which sets up a new department of the environment with respect to which my friends here raised a point a moment ago. We spent a whole day trying to get the minister and his department to insert the phrase "national standards" in that legislation, but we were turned down. National standards are mentioned here, but when you investigate the powers of the act you find those standards do not carry the impact which the people of Canada would like to think they carried. I am very much afraid that, again, we have here only a partial approach to the over-all problem of air pollution in Canada.

I want to make it perfectly clear that this is a new bill in which we are trying to deal with air pollution the first time. It is a step forward but, as usual with most of the legislation we have been getting from this government, it does not go far enough nor does it encompass a sufficiently large area. The bill does not contain sufficiently clear definitions. We find that instead of this federal government department giving clear and straightforward leadership in the clean up of pollution problems, they are hiding behind the constitution, just as they did in the case of the Canada Water Act, by saying that they cannot move because provincial or municipal jurisdiction is involved. We all know the trouble we have had in trying to solve problems because of divided jurisdictions. As my friend here says, this is constitution pollution. But I want to say that, as a result of meeting people and organizations in Canada interested in cleaning up pollution, I have discovered that they all want guidance from the federal government. They are sick and tired of having the solution of pollution problems delayed because of mixed jurisdictions.

The people of Canada demand that some kind of national standard be set, and backed up by national enforcement. Such a program would focus our attack on pollution problems without fear or favour of industry, without fear or favour of governments and without fear or favour of individuals who do not mind polluting if it means an extra dollar in their pocket. We are not getting this type of leadership and we are not getting the type of legislation that would give this type of leadership to Canada. We are getting a little tired of this partial approach.

I referred to the initial remarks made by the minister, for whom I have great respect. Once we get the new legislation through, I can assure him he will have all the backing we can possibly give him in the matter of its enforcement, in the matter of beefing up standards and in the matter of drawing attention to problems in Canada to try to get stronger legislation on the books so we can solve the pollution problems from which we suffer.

• (2:40 p.m.)

Before I speak on certain clauses of the bill, I should like to say a few words about the very general approach to the problem of air pollution which I believe every nation in the world will eventually have to take. Earth is a space craft. We are whirling around in space with a thin envelope of air surrounding us. We have had trouble with water and with soil pollution. Now, we are having trouble with the air we breathe. This is why all over the world danger signals are being put up by eminent scientists, research groups and governments, warning that the very existence of mankind on earth is threatened by some of the activities in which we are presently engaged, activities to which we paid too little attention in the past. The situation reminds us of the extinction of the buffalo on the prairie or the denuding of our vast forest areas.

Air has always seemed to be a limitless resource. We thought we could go on pouring pollutants into it. It was only as we began to understand the extent of global air pollution that we recognized air is a commodity which depends on delicate recycling mechanisms, and which can be subject to destruction. Air pollution is not a new problem. Smoke from coal fires in the larger cities in England caused so much trouble in the fourteenth century that laws were passed providing the death penalty for those responsible. Even then, they knew that the health of city residents was being threatened. As we moved through the centuries down to the present time, we have banished a lot of particle pollutants from the air. No longer does dense smoke pour out of coal burning factories. But now we have the problem of noxious fumes getting into the atmosphere, sulphur dioxide from various types of factories, all of which cause problems for people who live in urban areas.

There are many problems associated with pollution. It is becoming abundantly clear that as the standard of living increases in Canada, the United States and other countries, our chance of polluting the atmosphere, and our water and soil, increases. That is why there is such urgent need for us to set strict controls if we are to solve the problem. I would like to make reference again to something I have raised on a number of occasions in this House. It is that one cannot tackle pollution by itself. There are several other factors that must come into our over-all attack on pollution. One is population. I am not thinking just in terms of holding the world population at a stable level, although I think something must be done quickly along that line, but there are other aspects of population growth that must be examined. This should be part of the over-all problem to be examined by the department of the environment.

What are we going to do about the urban areas? What are we going to do about existing industries? Are we going to disperse some of them to other parts of Canada? Are we going to allow industry to grow in cities? It has been estimated that within a very short period of time Montreal, Toronto and Vancouver will contain half the population of our country. Government departments must start over-all resource and population planning if we are to solve some of the key pollution problems facing us today. The same type of planning must take place in other nations. The planning must be international, but there is no sign of it appearing. One or two departments are examining urban problems, but there is no over-all planning taking place.

There is also the matter of resource development pollution and the recycling process. As I have said on numerous occasions, Mr. Speaker, we are one of the most wasteful nations in the world. We should be recycling many of the products that we use instead of throwing them away, causing pollution from one end of the country to the other. More research should be undertaken into recycling processes. I have already mentioned the automobile. According to statistics, 60 per cent of the total air pollution on the North American continent comes from the automobile. I do not know what the percentage is in Canada. It might be higher than that in some cities. We cannot have effective national standards unless all pollutants are covered.

I join the hon. member for South Western Nova (Mr. Comeau) in criticizing the government for bringing this bill forward at this time. We have had copies of it for just about nine or ten days. I sent copies of it to some 20 or 30 individuals and organizations who would like to assist in getting better legislation for the people of Canada, and with one or two exceptions I have not yet had replies from them.

Mr. Davis: Why not become a member of the committee?

Mr. Harding: I did not hear the minister's comment, but if he referred to work in committee, yes we can do a lot of work in the committee. But there are many organizations which cannot afford to send representatives to Ottawa. There are many individuals with expertise in air pollution problems who must express their views through their Members of Parliament. This is called participatory democracy, and that is the reason I regret we did not have an extra four or five days in which to get some consensus from such people.

• (2:50 p.m.)

May I now talk about the bill itself, Mr. Speaker? I said, initially, that it is a step forward. Our party has every intention in the world of backing the legislation. When it comes before the committee we shall attempt to move amendments to those clauses that we feel are weak. We shall suggest amendments to the minister which we hope will strengthen the bill or insert provisions which we feel are missing. Of course, we hope that our amendments will be accepted. I believe that every Canadian has the right to breathe clean air, to drink water and to live in a clean environment. I believe that those rights should be specified in the constitution. Canadians should have the right to live in a clean environment. The clean environment ought to be guaranteed by the Bill of Rights. I think that the Bill of Rights will need to be amended one day, to provide for this additional right.

As I pointed out, this bill is aimed primarily at stationary sources of pollution. They are mentioned in the bill. In his talk the minister said that this part of the bill would be applied widely. This is what worries me most of all. Here, again, there is a lack of a single, uniform and united approach to air pollution problems and, as sure as fate, Mr. Speaker, we will run into the same sort of problems with this bill as we ran into with the bill dealing with water pollution in Canada. On our statute books there are dozens of statutes dealing with pollution. In this country there are regulations of all kinds on this subject. Scarcely any department of government is unaffected by laws or regulations aimed at stopping pollution.

I have said previously on the floor of the House and I will say again now that, although there are all kinds of statutes and regulations which are designed to deal with pollution, those laws have been ignored for years, and

years. Our research on this matter covers a period of several years. Some departments have never laid a charge under their regulations. According to our research, in a period of more than seven years not one single charge has been laid under a number of such pieces of legislation. One or two departments have laid charges. The fisheries department has laid charges, as has the Department of Transport, with relation to shipping. Otherwise, only a minor number of charges have been laid. Most of such legislation on the statute books has never been enforced. In addition, legislation aimed at attacking pollution has never been co-ordinated. Apparently one department will not be responsible for the co-ordinated attack on air pollution problems. Consider legislation dealing with motor vehicle emissions, Mr. Speaker. Consider also legislation such as the Aeronautics Act, and legislation affecting shipping and emissions from steamers. Consider the Railway Act. Under all these acts, anti-pollution regulations have been passed. I could cite a number of additional acts. I am not disputing the validity of these acts, I am merely saying that the regulations, under these various acts, that deal with pollution ought certainly to be the responsibility of and under the control of the minister of the environment. Unless there is this over-all and co-ordinated attack on the problem, I am afraid we shall get into some real trouble.

There is another weakness in the bill, Mr. Speaker. There is no mention of funds. You know, if we are to solve the problem of air pollution, water pollution or any other form of pollution, we must make available tremendous amounts of credit to municipalities, provinces or to other organizations which are to attack the problem. I wish to make it clear that in this legislation, as in other similar types of legislation which have come before the House, there is lots of talk but we are not told where the money is to come from to do the job which must be done within the next two years. We cannot delay any longer.

My time is drifting along, Mr. Speaker. I wish to deal with several other clauses of the bill. In particular, I wish to deal with clause 7. I know that in the committee we shall deal with the bill clause by clause, yet may I draw to the attention of hon. members this particular clause? It purports to set up national emission standards. I am in favour of national emission standards; there is nothing wrong with them. I submit that if one studies the wording of the clause, one will find it somewhat revealing. It reads:

> 7. (1) Where the emission into the ambient air of an air contaminant in the quantities and concentrations in which it is consumed or produced in the operation of stationary sources of a particular class or classes specified by the Governor in Council would

And then follow certain conditions with respect to national emission standards.

> (a) constitute a significant danger to the health of persons, or
>
> (b) be likely to result in the violation of a term or terms of any international obligation . . .

So, unless I am mistaken, national emission standards under the legislation are to apply if the emission becomes a health hazard, or if it violates some international obligation. May I point out that there are other facets to the pollution problem to which emission standards should also apply. How about property damage? Does this clause cover property damage? The act refers vaguely to those emission standards and to how those emission standards are to be established. Apparently one of the criterions on which such standards are to be based is the wording, "...constitute a significant danger to the health of persons." The emission may cause a little bit of discomfort; it may cause a little bit of nausea but, as I read it, that emission will not be covered by the law. The emission might irritate the skin but, unless it constitutes a significant danger to the health of an individual, it will not be included. I hope I am wrong. I hope that the minister or whoever may speak on his behalf later will clarify that point.

• (3:00 p.m.)

I want to say this: the people of Canada are sick and tired of having their environment polluted by noxious fumes, by smog and other pollutants. You can damage individuals without greatly affecting their health, you know. I frankly admit that the damage to health is of primary importance. The clause says that the danger must be a significant danger. Who will determine at what point there is significant danger? There is no definition here which adequately covers the point, though an attempt has been made. One could drive a horse and carriage through this clause, yet I am talking about one of the key clauses of the bill, the one which deals with national emission standards. I am more than worried as I check this clause. I sincerely hope there will be serious consideration by the government of all these points before the debate is concluded.

I now turn to clause 8. There are to be national emission guidelines. The minister has made it clear that the guidelines which will be set may eventually become enforceable. If it is felt that higher objectives are needed, I cannot take exception to this approach. However, Rome was not built in a day, and air pollution will not be cleaned up in a day. But I want to make it crystal clear that these national emission guidelines are not enforceable and there is nothing here which will make them binding upon provincial governments or municipalities which are suffering pollution. I hope the municipalities will take cognizance of these standards and will eventually accept them.

Time is drifting along and there is another clause or two with which I should like to deal. One point was made clear by the minister in his speech. It has to do with fuels. Provision is made in the bill, and I think it is a good move, to place responsibility for the inspection of fuels with the new department. This will be an excellent way of preventing pollution before it starts. An indication has been given that standards will be set to make sure that oil does not contain too much sulphur, for example, or that the type of coal which may be used in a thermal plant does not have a sulphur content high enough to cause serious air pollution.

I was concerned about the arrangements made for the inspection of motor fuels. I understand, now, that gasoline is also subject to inspection by the new department. If this is the case, I am very pleased. This is one of the points which was not made clear. It is certainly a provision we need in the legislation. Motor vehicle fuels must come under the control of the department, to ensure that they do not contain too much harmful pollutant.

There is one clause of the bill which deals with fines. The newspapers have given tremendous play to the fines which could be levied under the act. A fine of $200,000 is possible: this has been the headline. Canadians have drawn the conclusion that Parliament is going all the way with this bill. Yet when we read the bill closely we find that not many institutions will be liable to a fine of $200,000, though a deterrent of this type is certainly one of which we can approve. I hope the department will be tough enough to levy such fines in cases where a plant or operation is neglecting to live up to the terms of the legislation.

In closing, I repeat that I do not think this bill really sets the national standards which we want. It lacks a co-ordinated approach to pollution—this is the most depressing part as far as I am concerned—and it leaves a number of fields uncovered. I am thinking in terms of the department of the environment. Mention was made of the department having authority to deal with soil pollution, noise pollution and so on. But there are other fields—radiation and microwave emissions, for example. So far this country has almost completely ignored them. It may be we do not yet possess the expertise necessary to lay down regulations. I do not know. I do not believe we have. But I feel we should at least begin research and get on with the work of cleaning up pollution wherever it is found in our environment.

Again let me say that while the bill does represent a step forward, it is a fragmented approach to the problem. I hope the minister will accept some major amendments to the legislation when they are put forward during the committee stage.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, because of the vital importance of this bill I did not intend to speak, but since we seem to be creating some air pollution in the House of Commons today in some of the speeches we have heard, I feel I should get up in defence.

An hon. Member: Don't add to it, then.

Mr. Pringle: I am not naturally critical; I am a rather good natured man but I have to express some criticism, possibly because sitting here in the rump of the House, a little of it rubs off on me. Air is something none of us can escape. We are not obliged to go near water resources. We are not obliged to go into areas where there are garbage dumps or outpourings of effluent. But we all breathe the air every day: we cannot escape it. I therefore consider this bill to be in the nature of a priority issue. I congratulate the minister upon introducing it and I hope it will move into committee immediately. I want to be very brief because it is important that the bill get into committee in the next few minutes.

There is a great deal of evidence that air pollution is increasing to a greater extent than many of us realize.

• (3:10 p.m.)

I belong to a group of people who have spent the last 15 to 20 years flying their aircraft across North America at low level and encountering a high concentration of air pollution. I recall going into areas like Los Angeles on a perfectly clear day, and although the tops of buildings were visible it was necessary to approach and land with the use of instruments. I have sat in a hotel room in the city where you could see a blue haze across the room and into the bathroom. It was so bad that one had to go to the beach or to some other area to escape it. I am not talking about industrial pollution but about pollution from automobiles—which, of course, are directly controlled by individuals.

I think we would do well to concentrate on pollution research. This bill contains a clause referring to the widening of our research facilities. I firmly believe that although we must kill pollution, we must at the same time maintain industry. This is a point that I feel is not sufficiently emphasized in our legislation. Our air is subject to pressure inversions, so that although pockets of pollution are able to escape and disperse at certain times, they cannot at other times. I recall when Vancouver had only a small area of pollution, but now pollution has crept up the valley as far as Abbotsford and it is getting worse each year. A temporary release as a result of a violent storm is as much as we can expect.

This bill is very important and I hope we will not be prevented by technicalities from proceeding with it. The members who have been screaming "national" on almost everything are the ones who continually stand up and want to protect the provinces. They ask why the government is not doing this for Newfoundland, or that for Nova Scotia; yet they talk "nationally" on a bill of this kind. They do not accept the fact that the provinces of this country still have rights and they will continue to have rights. Even though we are able to reform the Constitution of Canada, I do not believe that in our time or in my grandchildren's time we will ever eliminate the rights of the provinces. So let hon. members be objective. When they stand up and say a measure must be national in scope, they must realize that they are asking the government to impose itself upon provincial jurisdiction. I do not think such imposition would be accepted by the provinces.

Certain measures must be national in scope, of course, and the provinces agree they must be national. As a matter of fact, I think that in the very near future controlling air pollution will be international in scope. For example, when the wind blows from Chicago, to the south, this terrible air pollution from the industrial mills moves north far enough to reach Canada. The same things happens along the Great Lakes; when a south wind blows, Canada is no longer responsible for its own air pollution. Since we are going to monitor our air

quality, if the tolerances are exceeded what will we do about it unless we reach international agreement? And if we have an international agreement, shall we impose our standards on the United States, for example? Will we work out mutual agreements with the provinces?

In view of these factors, I hope this House realizes that we have a vital bill in front of us; that we have 10 "countries" in this great nation of Canada, each of which must be considered. Either hon. members agree that this should be strictly a federal matter and they should stop yacking about the provinces all the time, which they are supposed to represent, or they admit they know full well that the provinces have rights and that the federal government cannot impose itself, unilaterally if you like, upon the provinces in environmental matters.

I know of no other bill that strikes at the lives, the livelihoods and the social welfare of the people of Canada as much as the bills we have before us, such as the organization bill and Bill C-224. So, Mr. Speaker, in closing—and, unlike the previous speaker, I intend to close only twice instead of four times—I hope that immediately we call the question and get the bill into committee where hon. members can provide a useful service. I admit their speeches in committee do not get back home as readily as they do from this chamber, but the importance of this bill is already back home. I think we should accept that, and I hope we will get this bill into committee as soon as possible.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to have accepted the invitation of the hon. member for Fraser Valley East (Mr. Pringle) to close the debate immediately following his speech, but there are a few things I want to add to what has been said, though certainly I am not going to take very long. In the first place, I agree entirely with the objectives of this bill in controlling air pollution throughout Canada. The objectives are desirable and the problem is urgent. Therefore, I think that we should get the bill into committee as quickly as possible.

I should like to point out that in my opinion the bill winds its way through the jurisdictional jungle of the Canadian constitution in masterly fashion, but it fails to cut through the maze in a forthright manner or as a result of having made advance arrangements with the provinces. This was the case with, and also the weakness of, the Canada Water Act. There is one exception to this general weakness and that is the section of the bill that relates to fuels, with which I will deal later, which I think does deal with the problem forthrightly.

Without provincial concurrence and joint provincial legislation, I think this bill is a futile gesture, such as was the case with the Canada Water Act. A clean air bill has been promised for two years. I am not going to lay the blame for the delay on the present minister, because it was not he who made the promise. A clean air bill was promised by the Minister of National Health and Welfare (Mr. Munro) and it appeared to me that the delay in getting it before Parliament was caused by the government trying to make a co-operative effort with the provinces. So the situation confronting the government on this bill is not as difficult as it was when the government introduced the Canada Water Act. I had hoped that the provinces would be consulted so that this bill could avoid the jurisdictional problems experienced with the Canada Water Act. Unfortunately, as far as I can gather from the speech of the minister today, it was only three or four weeks ago, after the bill had been drafted and was ready for introduction, that the minister toured the provinces to acquaint them with its terms. It is not enough to have the provinces not objecting and it is not enough to have them invited or consulted because, as in respect of the Canada Water Act, we need concurrent legislation.

• (3:20 p.m.)

There is provision in this bill for the government to join with the provinces in making arrangements and contracts, but the provinces cannot carry out their part of such an agreement unless they have concurrent legislation. The provincial governments, like the government of Canada, cannot act on their own without the authority of their legislatures. In other words, merely because we have this legislation at the federal level does not mean that provincial governments will be able to enter into agreements on their own. We do not have concurrent legislation and we do not have any indication that it will be forthcoming. To the credit of the minister I should say he has in the past few weeks tried to save the day by consulting the provinces. He has obtained an agreement and co-operation, but as good as his intentions might be, it is really not co-operation we need—we need legislative authority. This is still lacking, and it is fundamental.

Let me now turn to the matter of policy on national standards of air quality. The minister stated today that this bill authorizes such national standards. It is my belief that it does not. I do not want to split hairs about it, but we have the same problem we had with the Canada Water Act. The Minister of Energy, Mines and Resources (Mr. Greene) kept telling us in one breath that he could not involve himself with national water standards because he did not have the authority, and in the next breath he told us they existed. Neither of these statements was accurate, and the result is that we now have the Canada Water Act which is an ineffective piece of legislation. As far as getting national air quality standards is concerned, this bill takes four runs at the problem. It takes a run at it in clause 4, where it says that this provision will apply where air quality objectives—I stress the word "objectives"—are defined and authorized. That is fine. We have objectives, but that does not say we will ever reach them.

The bill takes another run at this in clause 7 where it refers to national emission standards and guidelines; I stress the word "emission" because this does not relate to the quality of air but to the quality of emission into the air in various places. This clause is limited to cases where emissions constitute a significant danger to health or which are likely to contravene our international obligations. Let me point out the word "significant". I imagine that is there to give the federal government, or Parliament, statutory authority. It refers to a significant danger to health as being the criterion rather than a

danger to health. Any prosecutions under this statute will be very difficult. Here again, this could save the jurisdiction under the national authority, but it is so limited because of the use of the word "significant" that it does not cover the standard case.

The bill takes another run at national air standards policy in clause 8 where it refers to the establishment of guidelines. Guidelines can be related to objectives to be followed, but guidelines have never been very effective. They have been suggested in almost every area of this Parliament, but they have very seldom worked because they are unenforceable. The bill takes another run at national standards in clauses 9 and 14 where it refers to the establishment of emission standards for federal works. That is still only one area, and it is not national.

I am not trying to split hairs, but I do not think the measure authorizes the setting up of national air quality standards. I do not think the authority is there. I looked through the bill, and the first thing I attempted to find was this authority. I could not find it. Therefore, the bill cannot authorize the establishment of these standards.

Most provinces do not have legislation along these lines, and I am sure none of the provinces have concurrent legislation because this bill has not yet been passed. If the government has doubt about the constitutional authority to establish national air quality standards—and I think they certainly have grounds for doubt—I should like the minister to tell us about the efforts made over the last two or three years to get provincial assistance to adopt effective legislation. There was nothing in the minister's introductory remarks today to the effect that there has been provincial co-operation in bringing in any new legislation. In the latter part of the minister's remarks he mentioned provisions in respect of federal government works.

Much of the bill is devoted to the method of the federal government policing itself. The main part of this bill is directed toward the operators of federal works. This is certainly a desirable objective. I think it is a sad commentary of the government of Canada when it has to legislate against itself. That is exactly what we are doing by this bill. Who is going to pay the fines if they are levied against federal works? It seems to me that if anybody pays these fines it will be the people of Canada, because that is the source of money for public works. This seems to be a very unusual situation because the federal government is legislating against its own public works and is providing fines for breaches against this measure. I would like to think there are in existence no situations which would justify this type of action. I have no doubt that this legislation could be used against public works, but it seems sad that we are being asked to pass a bill directed against works of the federal government.

• (3:30 p.m.)

I said I wanted to speak about the general provision concerning fuels, their manufacture and importation. To me this is the most significant feature of the bill. In a simple and straightforward way the federal Parliament assumes its responsibility in clause 22 and provides for regulatory authority in succeeding clauses. The foundation is laid, in the clauses on fuels, for effective action in many areas. The definition is broad enough to include motor vehicle fuels, domestic fuels and industrial and commercial fuels, all of which are the principal causes of air pollution. So while I do not feel the remainder of the bill will be very effective, I believe the clauses on fuels, as in the case of the Canada Water Act in the section on phosphate detergents, may be the only part that is effective and enforceable.

In my belief, the clauses on fuels save this bill because there are no "ifs", "ands" or "buts" about it. Parliament is facing up to the situation and saying that we will accept responsibility for fuels. We know this is where most of our air pollution comes from. It remains to be seen whether the government will follow up these clauses with effective regulations and enforcement. If it does, then the clauses on fuels to my mind could represent the breakthrough.

I should like to say a word or two in respect of offences and penalties. When a great fuss is made about the amount of a penalty of $200,000 a day, or something in that order, this hits the newspapers and sounds good. We had the same "big deal" in respect of the Canada Water Act, but no one to my knowledge has been charged. Certainly no one ever received such a fine. I suppose if someone wanted to outdo this bill he could provide for a fine of $1 million for doing something. I do not think the amount of the fine levied is the true test of the bill. The true test is whether or not it stops air pollution.

I do not believe the size of the maximum fine will do the job at all. Here, as in the case of the Canada Water Act, people have the idea that almost everybody will be subject to this large fine for polluting. One has to look at the bill to see what it really says. The $200,000 fine applies only to a federal work of undertaking under clause 9 (1) (b), an emission which constitutes a significant danger to the health of persons under clause 7 (1) (a), or violation of the terms of any international agreement under clause 7 (1) (b). These are the only cases to which the fine applies. It is not a general fine in respect of anyone who pollutes the air. I believe this should be clearly understood.

The last point I wish to discuss is that of the federal commitment to expenditure. As in the case of the Canada Water Act, I have searched vainly through this bill to find any commitment by the federal government to involve itself financially in activities, works or pilot projects to reduce air pollution. I could find none, except perhaps one clause to which I will refer. Aside from maintaining monitoring stations and setting up standards of various types, there would seem to be no provision for expenditure except in clause 19 which authorizes the minister to enter into agreements with provincial governments for the implementation of pollution programs for the control and abatement of air pollution. It is possible that in the implementation of programs the government could very well involve itself in expenditure, but it is a very vague provision and one which certainly does not

leave either us or the provincial governments with the belief that the federal government wishes to involve itself.

We might as well be honest about it. The provincial legislatures are interested in working with the federal government in such areas when money is to be provided. Provincial governments do not like to go out and spend money while the federal government sits back and says, "Go ahead with it, boys. We hope you do a good job because we have passed some laws which we hope will help the situation. You put up the money". This is where we ran into trouble in respect of the Canada Water Act, and I do not see any improvement in this bill. Money talks, and money is in short supply.

There is no indication that the federal government will involve itself in expenditure here, and the estimates which were recently tabled showed vast increases in spending but very little for the implementation of this legislation. Therefore, Mr. Speaker, I do not see the likelihood of immediate, concurrent provincial legislation or provincial co-operation unless the federal government is prepared to do something in the financial field. This has not been indicated in the bill or even in the minister's introductory remarks.

At the beginning I said that the objectives of the bill are worthy. A real effort has been made by the drafters to cover the ground within the obviously limited framework laid down by government policy which, once again, is woefully lacking in respect of real co-operation with the provincial authorities. There are many things which undoubtedly could have been done to improve the bill. As I say, the drafters of this bill have carefully wound their way through the constitutional problems without actually meeting them head-on.

I hope this bill will be effective. We want to see it referred to the committee so that we will have an opportunity to do what we can to improve it. But so far as the fundamental principle is concerned, it is not there. The provincial co-operation to fill-out the legislative authority as between the two jurisdictions has not been provided, the groundwork has not been laid and we are left once again with a federal bill which is limited in its jurisdiction and which has no really effective means of controlling air pollution throughout the country.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have been listening with a good deal of interest to the speeches of hon. members on this bill. In many ways I found most interesting the remarks of the minister in introducing the bill, not because his speech was necessarily better than that of the hon. gentleman who just spoke, the hon. member for Parry Sound-Muskoka (Mr. Aiken), but because, naturally, we look to a person who introduces a bill in this House to state its basic scope and purpose at second reading stage.

• (3:40 p.m.)

The minister, as he usually does when he gets on to subjects touching on pollution or on standards, waxed very eloquent. He stated his ideas with great determination. I suggest, however, that if one examines the realities of the situation, the contents of his speech are somewhat misleading. I like to hear the minister say that he believes in national standards, whether he is talking about air pollution, water pollution or any other form of pollution. I also believe in national standards. I think these are ideas which should be promoted throughout Canada. I think that in particular those of us who happen to be members of the federal Parliament of Canada have a responsibility to seek to do that. However, a problem arises when we have a minister introducing a bill and creating the impression that there are, in fact, provisions of the bill that are not really there. This is the danger I see developing in respect of the bill we are now considering and in respect of other bills that have been dealt with in recent months.

If the minister had said in his opening remarks today that this bill was a beginning in moving toward national standards with regard to emissions that go into the ambient air, then I think his statements would have been more in accordance with the contents of the bill. But if I heard the minister correctly, he said categorically that the bill creates standards which are national in scope, which are Canada wide and which are not provincial or municipal.

These are brave words, the kind of words we like to hear coming from a minister with some responsibility over the control of the quality of the environment, whether or not he has the title. But if one examines the contents of the bill it becomes apparent that it is treading lightly on the constitutional eggs, taking great pains not to put any stress or strain on the fragile shells of the elements of our constitution, on the fragile sensibilities of some of the provincial authorities.

This may or may not be necessary or desirable at this point, in face of the realities of political life in Canada, in face of attitudes that are made evident from time to time by some of the provincial Premiers of Canada. If I wanted to explore this question in detail, I could perhaps use the Premier of the province of British Columbia as a point of reference for some remarks. But the fact is that this bill does not create national standards. I do not think that we in this Parliament would be doing a service to the people of Canada if we tried to create the impression that in this bill we are providing a complete and final answer to the problems of the regulation and control of emissions that go into the ambient air, to use the phrase that is used in the bill.

What I think we should be doing in discussing a bill of this kind is to emphasize that we are dealing with what I would term the constitutional building-blocks of a new Canadian Constitution. We are dealing with things that are, in this era of our history, of most urgent concern to Canadians everywhere. Part of our responsibility in discussing a bill of this kind should be to attempt to make the people of Canada aware that we are having to work within a very difficult constitutional framework when we start discussing such problems as are dealt with in this bill. Let us not kid either ourselves or the people of Canada that we are in fact creating standards that will be uniform and complete all across Canada by what we are proposing to do today.

I think the minister is right when he puts the emphasis on his belief in national standards and expresses his desire for their establishment. I think the minister is right in the sense that he is echoing the kind of feelings about these things that more and more Canadians are having. In this sense, all of us in this chamber have the responsibility of seeking to share with the minister the job of providing leadership and understanding which may bring about an approach to these matters that is more in keeping with the realities of Canadian social and economic life.

The minister in his speech did touch upon the constitutional aspects of the bill. He made reference to the fact that we are using the powers of the British North America Act in respect of trade and commerce as a federal jurisdiction. Of course, in section 91(2) of the BNA Act there is a direct reference to the power of the Parliament of Canada to deal with the regulation of trade and commerce. But I think it is interesting to note that the minister also made reference to the fact that we are using the federal health powers in this act. One can search the BNA Act in vain in trying to find any reference to health as a stated function of the government. There is reference in sections 91 and 92 to the operation of marine hospitals by the federal government and other hospitals by the provincial governments, but this is about as close as the BNA Act comes to touching upon the question of health.

• (3:50 p.m.)

It has been quite evident, and constitutional practice has made it clear, that in fact there is federal jurisdiction in health and it is operative within certain limits. But it does seem to me, Mr. Speaker, that the minister might have made reference in his speech to the power of the Parliament of Canada to make laws respecting good government in relation to all matters not coming within the classes of subjects "by this act assigned exclusively to the legislatures of the provinces." Perhaps this question of the federal power in the field of health may flow in some respects from that.

I can only speculate on these things, not being a constitutional lawyer or a person who could ever anticipate being made a member of the Supreme Court of Canada. But I emphasize this fact because in my view the minister who is responsible in this area as a member of the government should be putting more emphasis, in the speeches he makes in this House and elsewhere, on the question of the limitations that the constitutional framework imposes so far as coping adequately with problems of air and water pollution is concerned. I have looked through the bill. I would not say I have studied every clause in detail, but it is very observable that all through the bill, when it comes to the regulation of the kind of works or undertakings which come directly under its jurisdiction it is most carefully limited to those that lie in the federal field.

In the powers of inspection and enforcement provided in this bill there is a great contrast with the kind of authority conferred upon the Minister of Fisheries and Forestry (Mr. Davis) by some of the amendments that were made to the Fisheries Act last year. Of course, the minister at once would say that this difference stems from the fact that sea coast and inland fisheries are clearly assigned to the federal field, and therefore the responsibility is clear and well defined in respect of the quality of water inhabited by fish, and its protection from pollution. But in his speech the minister said there is 25 times more pollution coming into Canadian waters from the air than is being put into those waters by spills from oil tankers and other sources.

One could develop an intriguing argument that if, under the Fisheries Act, the minister has the authority to ensure that certain standards of water quality are maintained, and if these waters are being polluted from the air, therefore the jurisdiction of the minister obviously extends to the maintenance of the quality of the air. I am not in a position to say that if this were being argued by lawyers before the Supreme Court, the minister and his spokesmen would be on the winning side; but I suggest this reveals very clearly how interrelated is the matter of total environmental control and how important it is that the Canadian people not only understand the need for the maintenance of quality but understand in more depth the constitutional and other problems that lie in the way of achieving this goal.

I think that once the people of Canada understand constitutional matters of this kind in a way that comes close to home, to the practical matters that affect their life and welfare, then they will be behind the efforts that may be made from time to time in the federal Parliament and there will be a body of opinion across Canada that any provincial government would ignore only at its peril. For this reason I felt I would approach discussion of the principle of the bill from this point of view, because it is a point of view that I feel the minister has failed to advance sufficiently. It may be as a result of a natural desire on his part to create an impression in the minds of the Canadian people that the government of which he is a member is establishing a creditable record of achievement. In saying this I am not trying to belittle the efforts that the government and the minister have been making in this field, but there is a responsibility on us to make the people of Canada understand the limitations of what we are doing as well as the excellence of certain features of the legislation.

Mr. Deputy Speaker: Order, please. I notice that the minister is ready to rise, and it is just before four o'clock. I would remind hon. members that there is a point of order before the Chair, raised by the hon. member for St. John's East (Mr. McGrath). The Chair still has the point of order under advisement. It is now four o'clock. I should say to hon. members that next time this item of business is called, the Chair will be in a position to make a ruling on the point of order raised by the hon. member for St. John's East.

It being four o'clock p.m. the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions, private bills.

Mr. Aiken: On a point of order, Mr. Speaker, I wonder if it would be the wish of the House to let the minister close the debate before the question is put. We would then have completed the debate and the question could be put, depending on the ruling of the Chair.

Mr. Deputy Speaker: As I indicated earlier, the Chair is not ready to make a ruling on the point of order raised by the hon. member for St. John's East. If hon. members wish, the minister might be allowed to close the debate. But the motion obviously cannot be put until a ruling is made by the Chair.

Mr. McGrath: Mr. Speaker, I find it difficult to give unanimous consent to the minister because of what Your Honour has just said with respect to the ruling which has yet to be made. However, if I did give consent it would be with the understanding that what the minister had to say would not in any way jeopardize the ruling subsequently to be made.

Mr. Deputy Speaker: Just to make it clear, the minister, as I understand it, would be speaking on the substantive motion and not on the point of order. I reiterate that the motion will not be put until the Chair has made a ruling. On those conditions, if it is agreeable to hon. members the minister might be permitted to close the debate. Is it so agreed?

Some hon. Members: Agreed.

Mr. Davis: Mr. Speaker, I shall be very brief. First I must say that I appreciate the remarks made by hon. members from all corners of the House. I will be looking forward to the positive and helpful suggestions which they will be making to improve this legislation in the Fisheries and Forestry Committee, legislation which I think they all agree is important and which should be passed by Parliament in the best possible form.

• (4:00 p.m.)

I only want to comment on one aspect of this legislation which was referred to by nearly all hon. members speaking on the bill, and that is the constitutional or federal aspect of it. The government already has been engaged with the provinces in a discussion on constitutional powers, and particularly on powers in dealing with pollution and the quality of the environment of this country. The proposal made by the government to the provinces has been that of concurrent power, which should clear up a number of difficulties, particularly trans-border difficulties between provinces.

I think another important aspect of the bill is the requirement on federal agencies to clean up. I have certainly expressed the opinion to the provinces that federal institutions must conform to local bylaws and provincial regulations in every way. The provinces themselves, particularly last fall when the Premiers met with the Prime Minister and again recently, appeared to indicate that they thought the federal government should take leadership in this area.

I think that the doubts which have been expressed in various corners of the House about constitutional powers in respect of pollution will not be borne out. Indeed, I think that the provinces will co-operate in every way in the execution not only of the clean air act but of every type of legislation dealing with pollution in this country. I thank hon. members, Mr. Speaker.

The Acting Speaker (Mr. Richard): In accordance with the agreement reached previously, the debate on Bill C-224 having been concluded, the question will not be put until this item appears again on Orders of the Day.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): It being four o'clock, the house will now proceed to the consideration of private members business as listed on today's Order Paper, namely, public bills.

Mr. Stewart (Cochrane): I rise on a point of order, Mr. Speaker, and ask the indulgence of the House. I do not intend to take up too much time with my point of order because there is little enough time for members to speak in private members' hour. What I must say could perhaps be decided upon in a couple of minutes. Item No. 36 on the Order Paper under private members' public bills is Bill C-69 which stands in my name. It is a bill respecting the presence of the national flag of Canada in both Houses of Parliament. Since I think there is a consensus on all sides of the House on this question, I wonder whether Your Honour would ask if there is unanimous consent for this item to be brought to the top of the list and to be given second and third reading.

Some hon. Members: No.

Mr. Stewart (Cochrane): Perhaps the bill could be disposed of completely, after which we could get on with other business.

The Acting Speaker (Mr. Richard): Hon. members have heard the suggestion of the hon. member for Cochrane (Mr. Stewart). Is there unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mr. Richard): There is not unanimous consent.

PRIVATE MEMBERS' PUBLIC BILLS

CANADA LABOUR (SAFETY) CODE

MEASURE TO INCLUDE SHIP REPAIR WORKERS, LONGSHOREMEN AND PORT WORKERS

Mr. John L. Skoberg (Moose Jaw) moved that Bill C-27, to amend the Canada Labour (Safety) Code (marine workers), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, this bill if accepted would amend the Canada Labour (Safety) Code and that part of the code especially applying to marine workers. This part of the code would read:

(c) 'federal work, undertaking or business' means a work, undertaking or business to which, in respect of employment thereupon or in connection with the operation thereof, this act applies and includes ship repair workers, longshoremen and all port workers when working on domestic or foreign registered vessels and domestic and foreign government vessels while in Canadian ports.

The new provision contains the wording, "and includes ship repair workers". That was my concern in bringing forward this amendment to the Canada Labour (Safety) Code. It appears that in the case of ship repair workers there is a legislative no man's land. I understand that this is the case in Nova Scotia. It appears that the Nova Scotia Industrial Safety Act might well cover the point but that there is reluctance on the part of the province in implementing the law because of uncertainty regarding jurisdiction. Since there is this doubt, Mr. Speaker, I thought it would be best to present an amendment along the lines of this bill. I hope it will be referred to the standing committee for further study.

As a member of the House of Commons I am greatly concerned about the safety of workers throughout this country. It appears that ship repair workers are either not covered by the law or that the law applying to them presents jurisdictional difficulty. Over the years, when protesting against inadequate safety regulations on board naval, domestic or foreign ships at the dockside I have not been able to get the federal or provincial departments of labour, especially those parts of the department concerned with safety, to assume the responsibility that ought to have been assumed in this field.

It appears that there will not be any real concern with respect to jurisdiction for as long as the authorities do not assume responsibility. I suggest that somewhere along the line someone will have to assume responsibility in this field. Either provincial departments or the federal department will need to develop some standards relating to safety in the area I have mentioned. I understand that provincial inspectors exercise jurisdictions in the shipyards. That jurisdiction is doubtful in respect of dry docks, graving or floating docks as well as ships at the wharfside. In those cases we must ask who is responsible for implementing and enforcing these regulations that are so necessary for safety. If hon. members thought it more advisable to amend the Canada Shipping Act and thereby provide for the safety of these workers, I would have no objection to this course of action being taken. As hon. members know, I am not an expert in this field and anything along those lines that they deem to be appropriate I would willingly accept.

The main thrust of this amendment to the Canada Labour (Safety) Code is to clear up any possible no man's land in the field of legislation relating to the safety of Canadian shipworkers. If there is a no man's land in this area, it ought to be defined and omissions ought to be rectified. That there is in this area a type of no man's land as between federal and provincial authorities is

[Mr. Skoberg.]

demonstrated by the type of conciliation board report with regard to the eastern and western ports of the country that has just been handed in. There should be no disparity between federal and provincial regulations of this type. Any disparities between regulations affecting the eastern and western ports of the country will be removed very shortly, I hope.

May I refer to the jurisdiction which is exercised at present? It is a rule of thumb that any work done in the area of the dock, which comes within the area swept by the boom when unloading a ship, is under the jurisdiction of the Department of Transport and the Canada Shipping Act. Any work done beyond this area is governed by the Canada Labour (Safety) Code. It appears that there is no precise definition of jurisdiction relating to the ship repair worker. This amendment may be of assistance because, if passed, the federal Department of Labour could consult with the provinces with a view to settling problems in this no man's land. I suggest, Mr. Speaker, that this would strengthen the position of the federal department inasmuch as at present longshoremen and dock workers are recognized as coming under the jurisdiction of the federal government. They come under the provincial regulations for purposes of compensation, etc. So far as ship repair workers are concerned, there appears to be a legislative no man's land. If accepted, this amendment could assist in clarifying the problem of jurisdiction.

• (4:10 p.m.)

I am sure everyone in this House is concerned to see that the people engaged in this area of endeavour are covered by some type of legislation. It is not enough to say that we do, or may, have legislation either federal or provincial which looks after ship repair workers. If this bill could be referred to the Standing Committee on Labour and Manpower, the committee could call witnesses from both federal and provincial government departments, examine the proposed amendment, determine whether or not there is any basis in fact for the concern I have expressed today and then, if it were considered necessary, make changes which would greatly benefit those affected.

I urge the government not to prolong this debate but to refer the subject to the committee I have suggested, in order that the committee itself may determine whether or not amendments should be made to the Canada Labour (Safety) Code as far as marine workers are concerned.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, try as we may, it seems to me we cannot get away from the constitutional dilemma in which we so often find ourselves. It is refreshing to see an hon. member on the other side of the House recognizing that we do live under a federal form of government and that we do encounter difficulties of the kind to which he referred.

I believe the legislature of Nova Scotia is to be commended for taking what might be called the first timid steps in the area affecting the safety of these workers. I compliment the hon. member for Moose Jaw (Mr. Sko-

berg on bringing forward this legislation. Whether 50 people or 50,000 are affected by it is not important; it is a means of calling attention to the fact that a portion of our working population may not have the protection, under the safety code, to which they are entitled. It should again be emphasized, though, that we do have a constitutional problem in this area, as in many others.

The hon. member saw fit to relate his amendment to the Canada Labour (Safety) Code with the idea of determining which measure would be the more appropriate. I would call attention to a booklet called "Planning for Safety" which is put out by the accident prevention and compensation branch of the Department of Labour. One of the paragraphs in this excellent brochure reads as follows:

> The Canada Labour (Safety) Code is an employment safety act which, subject to any other act of the Parliament of Canada, applies to all works, undertakings and businesses under federal jurisdiction. Through its circular 1968-54 the treasury board issued "Occupational Safety Policy—Public Service of Canada", whereby the principles enunciated by this act, as well as any regulations issued under its authority, may apply also to the public service of Canada.

The hon. member is asking the federal government to assume jurisdiction in this instance by accepting the proposed amendment. I welcome the opportunity to take part in a debate of this kind because the emphasis is placed where it should be placed, that is, on the safety of workers in Canadian industries whether they are employed in mining, the production or chemicals, marine undertakings or some other field.

As one who lived in northern Ontario for some time when my father was working underground for International Nickel, I recall that the theme at that time seemed to be "production first and safety second". Then, due in large measure to the fact that a union came into full effect in the mining industry in Sudbury and northern Ontario, the company took a second look at its position. Those concerned found to their surprise that by making safety the No. 1 priority, production improved. So any move which emphasizes the importance of safety is something we should be happy to support, particularly having regard to the publicity received by debate on almost any subject in the House of Commons.

It would be folly to suggest that consideration has not already been given to this problem. In fact, my research on the subject, limited as it was by the facilities and personnel available to me, turned up a considerable amount of information and illustrated the concern which both industry and government have shown for the safety of workers in industry. Indeed, I was surprised to find that such a large measure of concern was shown not only by labour but by management.

The subject of industrial safety seems at last to be getting the recognition it deserves. I doubt whether one can visit any factory or workshop in Canada today and not see signs drawing attention to the number of days which have elapsed involving loss of time, or drawing attention to the fact that a certain crew had the best accident-free record during the month. There was a time not so long ago when we did not see this interest taken in many industries. That position has now changed, due to the legislation which has been enacted and due, also, to the interest shown by the kind of amendment which the hon. member is proposing today.

It may be of interest to note that during my research into the area covered by the hon. member's bill I received a copy of the INCO "Triangle" containing a reference to Creighton Mine, Ontario, where I was born, some 12 miles out of Sudbury.

Some hon. Members: Hear, hear!

Mr. Cullen: An article in the magazine is headed: "The boys at Creighton have done it again—one million safe man-hours from October, 1970, to January 10, 1971." This, in itself, is significant. Even more significant is the fact that this is the twenty-fifth time since 1946 that this kind of recognition has gone to what are called here the "Creighton boys". This indicates the kind of co-operation and recognition that labour is giving in this field. I was interested to read that the Ontario division general manager, Mr. Johnny McCreedy—hockey enthusiasts will recognize this as being a famous name in hockey circles—had stated, with regard to the safety efforts of employees:

> This certainly attests to a fine co-operative effort on the part of the entire work force in safety in conjunction with a high level of production.

So there is something to be gained not only by workers but by management. I hope that all companies, particularly those engaged in the marine industry which we are discussing today, will take note of the statement made by Mr. McCreedy. Some underground workers have the idea that they are not working in a particularly safe place. As one who had an opportunity to work underground, I can tell the House I felt much safer working there than I did working on many construction enterprises. I do not know whether marine workers feel that their work is as dangerous as that of workers underground. I hope that the standards of safety set out in the bill will move every industry covered by the code, particularly the marine industry with which we are dealing today, to emulate the fine record to which I referred a few minutes ago.

• (4:20 p.m.)

Some hon. Members: Hear, hear!

Mr. Cullen: I hope hon. members will not applaud for too long because I would like this bill to get to a vote if possible. I think the Canada Labour (Safety) Code should be concerned with the safety and health of workers engaged in the maritime industry.

As I have said, I do not think the hon. member has made a mistake in bringing his amendment under the aegis of this bill. Perhaps he had good advice from a member of the legal branch of the Department of Justice or from one of the officers of the Department of Justice, but I feel he has brought his amendment within the right area, and it is surely a matter that is within the aegis of the federal government's responsibilities. On our coasts we are dealing with international traffic, which is

surely an area wherein the government might show some initiative in bringing in the kind of amendment suggested by the hon. member.

As I have said, it is very difficult for Members of Parliament to do much in the way of research work, in view of our limited facilities. Those of us who preach that we should have larger offices, executive assistants and the like do so not so much to make a small empire for ourselves as to better perform the services we were elected to carry out, namely, to conduct research on bills, particularly the sort of bill we are dealing with today. In the research I did I was able to find a paper or treatise—I am not sure of its proper appellation—prepared by Mr. A. A. Evans. It has to do with the ILO and is headed "Technical and Social Changes in the World's Ports". In chapter 8 of this work he refers specifically to safety and welfare and he has this to say:

> One of the new trends affecting dockers is the increasing attention paid to their safety and welfare.
>
> Safety and welfare considerations are embodied in some of the over-all new settlements—

It is incumbent upon union representatives to see that this kind of protection is afforded. If it is not provided by legislation, certainly it should be provided under settlements or agreements. This chapter continues:

> —on the United States Pacific coast both parties to the agreement have accepted a special safety code to supplement the federal regulations.

I do not wish to usurp the position of the government, but it must be recognized that there may be particular areas of expertise where unions and workers would have the kind of ability, intelligence and knowledge to supplement what federal legislation must deal with more or less on a universal basis. Mr. Evans continues:

> —the employer may choose methods of work and there is a proviso that "longshoremen shall not be required to work when in good faith they believe that to do so is immediately to endanger health and safety". In order that advantage should not be taken of this clause merely to obstruct work, the memorandum of agreement—

That refers to an agreement in 1960.

> —provides that "only in cases of bona fide health and safety issues may a standby be justified. The union pledges itself in good faith that health and safety will not be used as a gimmick".

I think this is the kind of message that, unhappily, the unions have not been able to get across to the general public. We only hear about the kind of work that is done in marine safety when it is highlighted in a message like this. Most of the time we hear about striking longshoremen, damage done to cargo, shipping that is held up and money lost. But here the union is obligating itself to act in good faith and not to use this particular section as a gimmick. Mr. Evans continues:

> In the settlement covering the St. Lawrence ports it is stipulated that employers and employees shall comply with the longshoring safety code, which contains improved safety regulations and which has become a part of the whole agreement enforceable by law.

On page 186 of his treaties, Mr. Evans has this to say about safety:

> The inland transport committee, in agreeing that it was desirable to accept new types of mechanical equipment, specified that they should be safe.

How many of us can remember that the sort of thing that used to be said was that some new machinery would be brought in but very little was said, if anything, about how safe the particular piece of equipment was. Here it is suggested that consideration should be given to making it safe. He continues:

> This points to the importance of examining thoroughly, with the help of experts, what new risks may arise when new methods of work and new equipment are being introduced. This should be standard procedure.

Those of us who are not particularly concerned with east or west coast ports may not be interested in this, but Sarnia is midway along the Seaway and has a fairly large number of ships passing through from Japan, Great Britain and other countries which I will not list because it would take too long to do so. Therefore, I have some concern for the safety of marine workers.

One of the matters about which we have heard lately is containers. From the little reading I have done, I understand that Halifax has taken the lead in this area, recognizing that it has to compete with the Seaway. As I say, from what I have read Halifax seems to have done very well by adopting containerization. Mr. Evans' treatise suggests that the use of containers will reduce the number of accidents for any given tonnage of cargo handled, if for no other reason than that the number of man-hours of exposure to risk will have been substantially reduced. He goes on to say:

> It is almost certain that the accident rate measured against the actual man-hours of exposure will also decrease, because dockers' accident statistics show that a high proportion of accidents occur while cargo is moved by hand.

This is an important subject and other hon. members wish to speak. There is still over half an hour before the end of private members' hour and I feel I have left them adequate time. I felt I should put on the record the point the hon. member is trying to make, namely, that this is an area of federal jurisdiction that should be highlighted through addresses in this chamber.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I appreciated the comments of the previous speaker even though I could not relate them to the amendment before the House. I thank him for his kind words about containerization. The points he makes about safety on the docks and about containerization are very true. But those matters are not before us now. The difficulty that has been recognized by the hon. member for Moose Jaw (Mr. Skoberg) who introduced this amendment to the Canada Labour (Safety) Code is one of jurisdiction and the application of jurisdiction. In other words, it is a problem first of recognition and then of acceptance of responsibility.

In and around the docks and ports of this country a continuing debate has been raging for a long time as to who has jurisdiction, in what situation and under what circumstances. It is to this that I think the amendment is directed, and in recognition of the problem here on the

floor of the House perhaps some progress has been made toward its resolution. Certainly this amendment would go a long way to eliminating once and for all the type of question that comes up when accidents occur in and around our docks.

• (4:30 p.m.)

The difficulties involved in accidents result from provincial jurisdiction. Many of these ports do not come within the federal purview. An injured individual has no recourse, because it is not spelled out either under provincial or federal law whose responsibility it is for the safety of these workers. There are all sorts of safety conditions laid down and they are spelled out in working agreements. This forms part of the philosophy and administration of ports operated by the National Harbours Board, cities, corporations and other port agencies. I suggest there is some difficulty in respect of national defence operations. This problem will not be solved as a result of the adoption of this amendment. This problem has been recognized. The hon. member has attempted to deal with it, and I hope the House will allow this matter to be referred to the committee in order that it may make recommendations to the government to accept responsibility and jurisdiction in this type of accident.

The comment I should like to make about this bill is that I am still not satisfied with the Canada Labour (Safety) Code because it does not effectively deal with accidents occurring in connection with vessels at military bases. I refer to military vessels tied up at a dockyard, a shipyard or at a military-controlled dock, port, pier or wharf. People working on these ships work under safety standards. They adhere to these standards. In my view federal jurisdiction should extend to accidents occurring in these areas. Men who are injured while working on these ships find themselves without recourse or redress under either federal or provincial legislation.

In the hope that this matter will proceed to the next stage, I suggest that safety standards be set rather than talked about. These safety standards should cover port workers, dock workers, longshoremen, freight handlers and others involved in this type of activity. There is a deficiency in our legislation now, and I hope hon. members will be courteous enough to allow this question to be debated by the committee so that the problem may be solved. This has been a problem since confederation. Something should be done so that marine workers at least have some recourse when an accident occurs.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I think we are all indebted to the hon. member for Moose Jaw (Mr. Skoberg) for raising this important matter. He has perhaps exposed to public view what one might call the ragged edge of jurisdiction over labour in this country. I am sure that hon. member was speaking with personal knowledge of some of the unsatisfactory conditions we face regarding jurisdiction over labour in Canada.

As I understand the governing rule of law, federal jurisdiction over matters of labour is sharply circumscribed by the provision which limits jurisdiction to matters clearly within the federal realm. I suppose in the broad sense this includes railways, telegraph and telephone companies as well as shipping. I am sure the hon. member for Moose Jaw will appreciate that the courts have interpreted the jurisdiction of the federal government in respect of labour on a very narrow basis. Even though the great railway companies of this country are subject to federal jurisdiction in respect of their main operations, it has been held by the courts that their hotels are not subject to federal labour laws.

Similar decisions have been made in respect of other federal operations which the ordinary person would think appear to be part and parcel of the whole sphere of federal jurisdiction. If I interpret the hon. member's speech correctly, his concern is principally in respect of people who carry out repair work on ships. He also includes longshoremen and port workers. Perhaps, as lawyers say, he has done this out of an abundance of caution, not to miss anybody. He, like myself, comes from the great province of Saskatchewan and perhaps we do not speak with a perfect knowledge of maritime operations.

• (4:40 p.m.)

The fact is that at the present time longshoremen working at the major ports in Canada are subject to federal labour laws. The longshoremen's unions of Montreal, Vancouver and elsewhere are subject to the jurisdiction of the Canada Labour (Safety) Code. The safety act as it is now worded applies to longshoremen. This is made clear also by some of the references made by my hon. friend and colleague from Sarnia, who referred to certain reports emanating principally from the port of Montreal, such as the Picard report which dealt extensively with port problems in Montreal. He referred also, I believe, to an agreement between longshore employers and employees at the port of Montreal which in a comprehensive way covers safety of operations. The same situation, I am sure, jurisdictionally applied in every major port in Canada. There can be no question that longshoring is a matter which falls under federal jurisdiction and therefore falls now within the ambit of this legislation.

One might wonder why anyone would question whether the other type of worker, the person employed by a shipyard who is brought on board to do repair and maintenance work, might not be covered, but this is part of the great legal conundrum which exists in our courts and in the interpretations which they have given to labour legislation. I make the serious suggestion to the House that we might encounter catastrophic consequences if we adopted the language proposed in this bill. I hold the view, and I believe it is a proper one, that following the decisions of the courts to which I have referred, it could be held that ship repair workers fall outside the ambit of federal jurisdiction, and were this Parliament to attempt to include them specifically in the legislation we might be faced with the possibility of some court, in its wisdom, some day saying that all the legislation is bad.

In my judgment—and in this I share the views expressed by the hon. member for Moose Jaw (Mr. Sko-

berg) and the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—this is an area of our life in Canada which merits serious and careful consideration. I refer to the area where federal and provincial labour legislation meet. I believe the hon. member for Moose Jaw, with his great experience in these matters, would be prepared to agree with me that questions of governmental jurisdiction and conflict between governments are sometimes exacerbated and exaggerated by the jurisdictional postures of different unions which may have been established under either federal or provincial aegis. In some circumstances where I have had experience in this field I have found that the situation is immensely complicated. In this type of situation it has always appeared to me there is a necessity for agreement among unions and among employers before one can go to governments for a solution.

In a way, what the hon. member for Moose Jaw is requesting here is not so much an amendment to an important statute but, rather, an attempt to have Parliament make a constitutional declaration concerning the type of workmen who are included within the ambit of federal and provincial labour legislation. I suggest this is an extremely dangerous course to follow. This interpretation of the hon. member's bill was impressed upon me when I listened to the remarks of the hon. member for Dartmouth-Halifax East. It seemed to me he spoke very little about the bill or about the Canada Labour (Safety) Code. He was concerned about workmen's compensation, which of course is something not dealt with in this statute.

Whether or not a workman who is injured in the course of his work in a shipyard is covered by the federal or provincial workmen's compensation laws is something which is determined easily in this part of the world and, I should have hoped, elsewhere. But by making this type of entry in the safety code we make no contribution to the solution of that problem.

Mr. Skoberg: Would the hon. member permit a question?

Mr. Blair: Certainly.

Mr. Skoberg: I am wondering whether the hon. gentleman realizes that today neither the federal nor provincial authorities know which way they are going in respect of this area. In my remarks I suggested this bill be considered in committee so that the federal and provincial people could come to an understanding which would benefit the shipworkers to whom I referred and so things would be better all around.

I ask the hon. gentleman whether he would agree that workers in all fields of provincial and federal regulation are covered under the Canada Labour (Safety) Code except ship repair workers.

Mr. Blair: Mr. Speaker, in response to my hon. friend I think it is important for a determination to be made concerning whether, first of all, this important working group is covered by any safety legislation and, if so, whether it is that of the federal or provincial governments. I hate to expose myself to a wrong interpretation of what I am saying or thinking, but I do not think the proposal in this type of a measure is the best forum for the consideration of this rather complicated problem. I am not sure, from what my hon. friend said, whether or not the problem is uniform across the country. I have forgotten what little I did know about the ports at Vancouver and Montreal, but it was not my impression that that kind of legislative and administrative vacuum existed there. It may well turn out that this is a problem, as I believe my hon. friend suggested, peculiar to one province and one area, which province now has a new government which hopefully can resolve many of these complicated matters.

Having made these comments about the bill proposed by the hon. member, and having to the best of my ability explained why I think it is dangerous for us to proceed with it because I believe we are working toward a point where we might expose the whole legislation to the hazard of disallowance, I should like to say a word about safety legislation in general. This is new legislation that was first enacted in the session of 1966-67. It cut across a lot of existing legislation because, as hon. members are aware, all these federal activities be they in railways, shipping, aviation, telephones or telegraph have long been regulated by other statutes.

• (4:50 p.m.)

One of the problems that the safety legislation created was in respect of new rules and regulations which sometimes cut across or added to the responsibilities piled on these enterprises by the older legislation. There has been a difficult period of digestion in the working out of regulations under the new law and applying them to existing industries which were well regulated under the old laws. That is another reason why at this reasonably early stage in the history of the Canada Labour (Safety) Code it would be highly inadvisable to consider an addition which might have far reaching consequences in terms of the operation of the legislation.

But again I think we must feel indebted to the hon. member for Moose Jaw for raising this point. I would suggest to him, as he might well suggest to me, that perhaps one useful approach to this question of jurisdiction on the margin of labour operations in Canada might be considered by the important unions which are concerned with it. They are the people who live under whatever laws are prescribed, and I fail to see how new rules can be made unless they recognize the position of existing unions and the rights they have acquired under present legislation.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, at the outset I want to commend the hon. member for Moose Jaw (Mr. Skoberg) for his interest in the welfare of ship repair workers, longshoremen and all port workers. I come from one of the great port cities of Canada and although it may be difficult for some hon. members to believe, I am a former ship repair worker. I have spent a considerable time in the yards and have some scars to prove it. I want to

assure hon. members that this is a high-hazard occupation. I have paid for many months of my education by working in the shipyard, and many of my chums were severely injured during the time I worked with them. I remember one young man, who was a brilliant student, working in the shipyards of North Vancouver. He was a fine concert violinist. I talked to him one morning and that afternoon he was unconscious and crippled for life. This happened to many of my chums.

I say in all sincerity that there is no doubt whatsoever that ship repair workers who are in a high-hazard occupation deserve all the protection which the law can accord them. We are not in disagreement on this point. The concern about these workers is shared by members on the government side. However, there are difficulties here which I am sure were not apparent to the hon. member when he brought this measure to the House in all sincerity, and I know he brought it in with a determination to help these workers. The intention of the hon. member's bill is to expand the present definition of "federal work, undertaking or business" under section 2(c) of the safety code to include "ship repair workers, longshoremen and all port workers when working on domestic or foreign registered vessels while in Canadian ports".

Regardless of the commendable motives of the bill, as was pointed out earlier by one of my colleagues on this side of the House, it contains an essential defect. The defect is of a constitutional nature. Shipbuilding and ship repairing, as opposed to shipping, are generally not within the legislative authority of Parliament. The amendment, therefore, appears to be clearly ultra vires of Parliament. And for those hon. members who suspect that this is an excuse being offered by government members because of their unwillingness to take what would be unconstitutional action, I quote from the ultimate authority, Laskin in "Canadian Constitutional Law", third edition, 1969, which fairly sets out Parliament's authority in the field of labour relations. I quote from page 434 as follows:

> In the field of employer-employee and labour management relations, the division of authority between parliament and provincial legislature is based on an initial conclusion that in so far as such relations have an independent constitutional value they are within provincial competence; and, secondly, in so far as they are merely a facet of particular industries or enterprises their regulation is within the legislative authority of that body which has power to regulate the particular industry or enterprise.

Then a number of precedents are cited. I think this is a particularly relevant quotation from Laskin. Further on it says:

> It followed from the Privy Council's position and from its view of the scope of the trade and commerce power that Parliament could not enact general regulatory labour relations measures even with respect to industries or enterprises having interprovincial ramifications. Regulatory control on a federal level could be exerted only in respect of activities which were within federal authority by specific enumerations, e.g., interprovincial railways, telegraph and telephone operations and shipping.

So the dilemma exists here that while the hon. member's proposal is good and sound, and undoubtedly action should be taken to determine the adequacy of present coverage for ship repair workers and no delay should be countenanced in arriving at this determination, the fact remains that Parliament has confined the application of its labour legislation to industries and enterprises which are clearly within its jurisdiction on the basis of such decisions as referred to by Laskin, the constitutional authority.

As far as the present proposal is concerned, shipbuilding and ship repairing only come under federal jurisdiction when companies which by way of their shipping activity are subject to the Canada Labour (Safety) Code utilize their own ships' crews and employees for repair and maintenance of their ships.

The Acting Speaker (Mr. Richard): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until next Monday at 2 p.m., pursuant to Standing Order.

I hope hon. members will have an enjoyable weekend and will be safety conscious, especially in crossing the streets of Ottawa and climbing the snowbanks.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 22, 1971

The House met at 2 p.m.

PRIVILEGE

MR. McGRATH—SITTING OF STANDING COMMITTEES WHILE GOVERNMENT ORGANIZATION BILL UNDER CONSIDERATION IN COMMITTEE OF THE WHOLE

Mr. Speaker: On Tuesday, February 16 last, the hon. member for St. John's East raised a question concerning the regularity or the propriety of a Committee of the Whole sitting when a number of standing committees were scheduled to meet. The following day, Wednesday, February 17, the hon. member raised a similar question but that time as a point of privilege.

While not accepting the hon. member's proposition as a question of privilege, the Chair recognized that there was some difficulty and assured the House that further and continuing study would be given to the situation. In particular, it was proposed that the procedural difficulty be considered by the House Leaders. It is my hope that these hon. gentlemen will be available for such a meeting within the next few hours, perhaps, or at least the next few days.

In the comparatively brief period at my disposal I have endeavoured to review the practice of the House in respect of concurrent sittings of the House or Committees of the Whole with standing or special committees. Up to this moment I have been able to consider, in some detail, every regular session of our Parliament back to 1952, and there has been little difficulty in establishing that Committees of the Whole and standing committees have in fact sat concurrently throughout those years.

• (2:10 p.m.)

I do not suggest the House should presume that such conditions were unopposed. Senior members of the House will vouch for the fact that strong positions were taken and many hours were spent over the years in objecting to such meetings on the very same grounds as have been recently advanced particularly by the hon. member for St. John's East. It would seem that this practice, rightly or wrongly, has been confirmed by the recent revision of the Standing Orders of the House. I suggest that the condition has been accentuated by the unanimous order of the House referring the government reorganization bill to a Committee of the Whole House. While that bill is an omnibus bill the Standing Orders do not provide for the consideration of such a bill in Committee of the Whole except by order of the House.

While it is apparent that it may not have been appropriate to send that bill to a standing committee, it would not have been inappropriate to establish a special committee to which it could have been referred. It seems to me that sections 1 and 2 of Standing Order 74 contemplate such a procedure, and had that procedure been observed the present difficulty would not have arisen. It might be of interest if I were to refer to Standing Order 81 of the British House as printed at page 1084 of May's 17th edition. It reads as follows:

> All committees, other than committees of the whole House, shall have leave to sit at any time on any day on which the House sits, but may not otherwise sit during any adjournment of the House, without the leave of the House, and such leave shall not be moved for without notice.

That Standing Order of the British House indicates that our own long-standing practice is not unique and not at variance with the practice in other Parliaments, in particular at Westminster. It is of interest to note, however, that in the British House proceedings in standing committees are interrupted in order to allow members to participate in divisions in the Committee of the Whole.

This brings me to consider the objection voiced by the hon. members for Edmonton West and Calgary North to the effect that when a Committee of the Whole is sitting members in attendance at standing committees receive no warning of impending votes as is the case when the Speaker is in the chair. The difficulty is solved in the British House by the practice of interrupting proceedings in a standing committee so that members can proceed to the House to participate in a division called in Committee of the Whole. Our own revised rules provide for deferred votes at the report stage of a bill, presumably to eliminate the possibility of frequent interruptions of standing committees. It may well be that our rules should be further amended to establish a similar procedure for votes which might be called in Committee of the Whole or possibly to establish a practice similar to that which exists at Westminster.

With respect to the interruption of proceedings in standing committees, these are possibilities which should be considered by hon. members and in particular by the House Leaders on behalf of their respective parties. The difficulty might well be considered also by the Committee on Procedure and Organization. While, as I have stated on two or three occasions last week, there appears to be a difficulty when there is a prolonged consideration of a bill in Committee of the Whole, it does seem to me that situation is not in conflict with our existing practice or with the provisions of our Standing Orders and that the difficulty is not one which can be considered under the heading of parliamentary privilege.

It is, I suggest respectfully to hon. members, the kind of difficulty or problem which might rather be considered

by the representatives of the parties in the House who I am sure are anxious to find a common ground to ensure the orderly flow of the legislative process in the House. That is why I took the initiative in suggesting a meeting between the representatives of all parties. It is my hope this meeting can take place soon and that it will have some broad and helpful results.

ROUTINE PROCEEDINGS

PUBLIC ACCOUNTS

Fourth report of Standing Committee on Public Accounts—Mr. Hales.

[*Editor's Note: For text of above report see today's Votes and Proceedings.*]

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AGRICULTURE

TABLING OF GRASSLAND INCENTIVE PROGRAM

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, pursuant to Standing Order 41 (2) I propose to lay on the table a copy in both official languages of the government's grassland incentive program.

* * *

HEALTH

STATEMENT ON REPORT OF COMMITTEE ON DENTAL AUXILIARIES

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, it is my pleasure to announce to the House that the report of the ad hoc committee on dental auxiliaries has now been received.

The ad hoc committee was established in June, 1968, by the previous Minister of National Health and Welfare, the Hon. Allan MacEachen, with the full co-operation of the Canadian Dental Association. Its terms of reference were to study all aspects of dental auxiliaries, with special emphasis on the possible contribution that auxiliaries could make in helping to achieve better dental health for the Canadian public. The chairman of the committee was the Hon. Dalton C. Wells, Chief Justice of the High Court of Ontario who is in the Speaker's gallery today, and I would like to acknowledge his presence.

Some hon. Members: Hear, hear!

Mr. Munro: The report contains 43 recommendations. The first 21 cover such areas as the qualifications of dental assistants, hygienists and technicians, their training, education and experience, and a wide range of more responsible duties to enable them to contribute more effectively to the dental health care requirement.

The report also recommends that each province pass legislation regulating dental auxiliaries, and that provincial boards be established to administer these acts.

A national dental program for children is also recommended. Such a program would incorporate prevention, education and treatment beginning with younger children and annually encompassing new age groups up to school leaving age.

The committee also calls upon the federal and provincial governments to devise incentives for dentists to develop the team approach to dentistry with support from dental auxiliaries, and for the governments to provide funds for training, research and facilities, and recommends that dental care in its broadest sense be offered to all Canadians incorporating the same principles of quality control and financing as medical care.

The recommendations contained in this report will be studied most closely by my department. Implementation of the report is of considerable consequence to the dental health of all Canadians. Copies of this report are available from my office. Again, may I on behalf of the House indicate our appreciation to the Hon. Dalton Wells and his committee for an excellent report.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I understood that a report was to be tabled today and I thought it would be tabled under the appropriate Standing Order, 41 (2). I am not taking exception to the procedure adopted by the minister, but we will reserve any comment with regard to the value of this report until we have examined it. I simply call to the attention of the Chair that this is the kind of report which should be tabled without comment. It speaks for itself. If, on the other hand, a statement is to be made, then I think that opposition parties should receive a copy of the report beforehand so they can discuss it fairly and intelligently. The minister usually does this, but I point this out because, as I say, in the past there have been abuses under this Standing Order and I think the government should be very careful as to its procedure in this regard.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Peace River pointed out, the Minister of National Health and Welfare usually obliges us with copies of statements he is going to make on motions. Therefore I suppose we should not castigate him too severely today. But I do suggest he return to the normal practice. I have no objection to the report being tabled—the purpose of tabling is to make such documents public—but we think it would be well to advise the opposition parties in advance. Having listened to the brief statement the minister made, I want to underline in particular the recommendation that dental care for Canadians be put on at least the same basis as medical care. I hope that implementation of this recommendation will soon take place.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PATENT ACT—APPLICATIONS COVERING PATENTED DRUGS

Question No. 41—**Mr. Saltsman:**

1. What applications have been received under the revised Patent Act for licences from the Patent Commissioner to manufacture or import and sell patented drugs, up to October 1, 1970?

2. What applications have been approved or refused by the Patent Commissioner?

3. What reasons were given for those drug patent applications that have been rejected?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. Up to October 1, 1970 the Commissioner of Patents has received 85 applications for licences under Section 41(4) of the revised Patent Act, of which five are applications to manufacture and sell, 52 are applications to import and sell, and 28 are applications to both manufacture and import and sell patented drugs. These applications are for licences under 120 patents covering 33 drugs.

2. The Commissioner has approved and issued licences on 44 applications, to the following companies: S & U Chemicals Limited, Toronto, Ontario, 21 licences; Novopharm Limited, Scarborough, Ontario, nine licences; Sterilab Corporation Limited, Rexdale, Ontario, four licences; Micro Chemicals Limited, Toronto, Ontario, two licences; Mowatt & Moore Ltd., Pointe Claire, Quebec, two licences; Neo Drug Company, Montreal, Quebec, two licences; Frank W. Horner Limited, Montreal, Quebec, one licence; Laboratoire Medic Ltée, Ville de Laval, Quebec, one licence; Compagnie, Pharmaceutique Vita Ltée, St. Romuald, Quebec, one licence; Trans-Canada Dermapeutics Ltd., Montreal, Quebec, one licence.

3. The Commissioner, on December 10, 1969, refused to grant to Sterilab Corporation Limited of Rexdale, Ontario, a licence to import and sell the drug Hydrocortisone Sodium Succinate under a patent owned by the Upjohn Company, for the reason that the application failed to meet the statutory requirements. Sterilab later filed a new, corrected application, which was accepted, and a licence was issued to them on April 24, 1970.

REGULATIONS COVERING STORAGE AND LABELLING OF FOOD

Question No. 565—**Mr. Mather:**

Is consideration being given to the request of the Consumers' Association of Canada to establish bacteriological standards and to implement regulations regarding the storage of meat, fish, poultry and their products and to develop a system of labelling to provide consumers, at the point of purchase, information as to whether the product has been previously frozen?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare and the Department of Consumer and Corporate Affairs as follows: Regulations under the Food and Drugs Act have been enacted which govern the bacteriological quality of certain dairy, fish, meat and egg products. Steps now are being taken to extend these regulations to cover additional foods, including frozen foods. Yes. A labelling system which would advise consumers at the point of sale that thawed foods had been previously frozen is under consideration, but there are difficult technical problems to be overcome.

POST OFFICE DEPARTMENT—FEMALE LETTER CARRIERS

Question No. 634—**Mr. Macquarrie:**

1. How many female letter carriers are presently employed by the Post Office Department?

2. How many have applied for such positions?

3. Who is the highest ranking officer in the Post Office Department of the female sex?

4. By district, how many (a) males (b) females are currently employed in the Post Office Department?

Hon. Jean-Pierre Côté (Minister without Portfolio): 1. Thirty-two.

2. In some instances applications are made direct to the local Canada Manpower Centre, others direct to the Post Office Department where the Canada Manpower Centre is unable to provide recruitment service. We do not maintain records on the sex of those applying in letter carrier competitions, therefore we are unable to provide complete and accurate data in order to answer this question.

3. Rosemarie Hanel, C.S. 2.

4.

District	Male	Female
St. John's, Nfld.	423	76
Halifax, N.S.	1,060	131
Saint John, N.B.	826	106
Quebec, P.Q.	1,610	98
Montreal, P.Q.	6,519	402
Ottawa, Ontario	1,715	71
Toronto, Ont.	7,044	526
London, Ont.	1,955	169
North Bay, Ont.	797	255
Winnipeg, Man.	1,644	172
Saskatoon, Sask.	793	32
Calgary, Alta.	1,234	155
Edmonton, Alta.	1,080	261
Vancouver, B.C.	3,324	601
Ottawa, Ont. (Headquarters)	751	367

Questions

FEDERAL ASSISTANCE TO MUNICIPALITY OF ST-CAMILLE, BELLECHASSE CONSTITUENCY

Question No. 694—**Mr. Lambert (Bellechasse):**

For each year since 1968, what departments or agencies have granted loans to the municipality of St-Camille in the constituency of Bellechasse (a) for what purpose were these loans granted (b) what was the amount of each (c) what was the rate of interest (d) what was the duration of the loan and what are the terms of reimbursement?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am advised as follows: 1. The Central Mortgage and Housing Corporation, in 1970, approved a loan to the municipality of St. Camille, Bellechasse County, (a) for a sewage treatment project, (b) in the amount of $90,000, (c) at an interest rate of 8¼ percent, (d) for a term of 40 years. Under Section 36G of the National Housing Act, 25 per cent of the principal amount of the loan, and 25 per cent of the interest on the loan accrued to the date of completion of the project will be forgiven.

FEED FREIGHT ASSISTANCE POLICY

Question No. 777—**Mr. Southam:**

1. Has the government made any determination yet on its Feed Freight Assistance Policy, i.e., whether it will be increased, decreased or left as is?

2. When will such policy decision be announced?

Hon. H. A. Olson (Minister of Agriculture): 1. As was announced last Spring the rates of freight assistance now in effect will continue through the end of this fiscal year. The program is now being reviewed and plans for the 1971-72 program are being prepared.

2. It is expected that the rates of freight subsidy for the 1971-72 fiscal year will be made known before April 1.

NATIONAL DEFENCE—CONSIDERATION OF UNIONS IN MILITARY FORCES

Question No. 780—**Mr. McCleave:**

1. Has the Department of National Defence made studies about the existence of military unions in (a) Norway (b) West Germany (c) Sweden (d) Austria (e) Denmark?

2. Is the government or the Department prepared to give recognition to similar unions if established in Canada and, if so, what of the following subjects would be considered a legitimate part of the collective bargaining process (a) pay, including its relationship to civilian pay (b) benefits paid upon severance of engagement (c) the right to strike (d) determination of disciplinary measures (e) rights of those below the officer level to advance to same (f) facilities for adult education (g) pensions (h) political activity and/or political candidacy at federal, provincial or municipal levels (i) the determination of the union to represent the military (j) uniform allowances (k) hirsute appearances and other cosmetic factors (l) options as to uniform?

Hon. Donald S. Macdonald (Minister of National Defence): 1. No.

2. No consideration has been given to unions in the military forces.

[Mr. Côté (Longueuil).]

EMPLOYMENT OF MR. CLYDE SANGER

Question No. 788—**Mr. Robinson:**

1. Has Mr. Clyde Sanger been appointed as Communications Adviser to the Canadian International Development Agency and, if so, what are his duties, salary and expense allowances?

2. Is Mr. Cranford Pratt an adviser to CIDA and, if so, what are his duties, salary and expense allowances?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Mr. Clyde Sanger is a self-employed person engaged with the Canadian International Development Agency under the Government Contract Regulations as Special Adviser on Communications. His salary is $18,000 per annum. There have been no expenses to date. There is provision in the contract to pay travel expenses in accordance with the Treasury Board Travel Directive.

Hereunder is a statement of duties performed by Mr. Sanger: Under the direction of the President: To carry out research and prepare materials for presentations to Committees of the House of Commons and the Senate, as well as briefs and submissions to national and international bodies which are concerned with aspects of international development; to conduct research in connection with important policy statements and speeches for Ministers and senior officers which involve specialized research; to prepare material for seminars relating to international development which require senior level participation and ensuring that appropriate CIDA representation is provided with researched documentation; to provide advice and assistance to the President and senior management during the period of reorganizing and developing the Information Division of CIDA in respect of certain aspects of the Information role and supplement the existing capability of the Information Division; to assist senior management in the conduct and maintenance of relationships within and outside Government in the preparation and distribution of related materials for special public bodies, e.g., Members of the House of Commons, The Senate and various other Government Departments as well as for other organizations and agencies with a special interest in the development field; to advise and assist on special projects in relation to the field of communications.

2. No.

NATIONAL DEFENCE—THEFT OF ARMS

Question No. 800—**Mr. Godin:**

1. During the past five years, were arms stolen from the Canadian Army and, if so (a) from what camps were these arms stolen (b) in each camp, what were the models and quantities of stolen arms (c) what was the value of the stolen arms (d) have the thieves been apprehended?

2. Have all these arms been found during searches made under the War Measures Act?

[*Translation*]

Hon. Donald S. Macdonald (Minister of National Defence): 1. Yes.

(a) Location	(b) Models and Quantities								(c) Total Current Value
	.303 Rifle	.22 Rifle	9MM Pistol	SMG	Rifle 7.62 FNC1	Auto. Rifle 7.62 FNC2	Bren	.38 Revolver	
GERMANY			22	17	10			1	$ 5,287.78
CYPRUS			1						68.04
NEWFOUNDLAND									
St. John's		1							39.00
NEW BRUNSWICK									
Moncton								1	120.00
Gagetown			4						272.16
St. John		1	1						107.04
NOVA SCOTIA									
Halifax			2	1					238.08
QUEBEC									
Montreal		7	9	3	2				1,578.74
Quebec			1	1	1				363.73
Shawinigan				1					102.00
Valcartier			1	2	2				659.42
La Tuque		4							156.00
ONTARIO									
Borden			10	12					1,904.40
Trenton			1						68.04
London				2					204.00
Rockcliffe			2		1				329.77
Port Hope	2								67.48
Toronto			4	4	10				2,617.06
Merriton					2				387.38
Kapuskasing	1								33.74
Sudbury			1		3				649.11
Windsor		3	2		1				446.77
Petawawa			1	1	1				363.73
Hamilton	1				1				227.43
Oshawa				1					102.00
Guelph				1	1				295.69
North Bay					3				581.07
Centralia				2					204.00
MANITOBA									
Shilo			1		1	1			486.44
Rivers					1				102.00
Churchill	1				3				614.81
Winnipeg		30	1				6		2,084.04
SASKATCHEWAN									
Saskatoon			1						68.04
ALBERTA									
Calgary		1			2				426.38
Lethbridge					10				1,936.90
Penhold			1						68.04
Edmonton			1	1	2				557.42
BRITISH COLUMBIA									
Esquimalt			1						68.04
Chilliwack		1	12					4	1,335.48
Vancouver		3		10	10	1			3,298.61
TOTAL	5	51	80	59	67	2	6	6	$28,519.86

(d) 22 persons were apprehended as a result of being involved in 13 of the 114 cases investigated.

Questions

2. No, only one was found during search under the War Measures Act—an FNC1 Rifle.

[*English*]

NATIONAL REVENUE—TAX PAYABLE THROUGH PERSONAL INCOME TAX

Question No. 832—**Mr. Simpson:**

What was the total amount of revenue received through personal income tax from each of the ten provinces for each year 1960 to 1969 inclusive?

Hon. Herb Gray (Minister of National Revenue): Tax collection figures by provinces are not available for 1969. The attached table, derived from the annual statistical analysis of the tax returns filed by individuals, indicates the total tax payable by individuals in each province for the years 1960 to 1968, as shown on federal tax returns. The tax payable includes federal income and old age security tax throughout, and for 1962 and subsequent years includes provincial income tax which is collected on behalf of all provinces except Quebec. The tax levied by Quebec province is excluded.

Total Tax Payable by Individuals

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
	(In Millions of Dollars)									
Newfoundland	17.1	18.5	20.2	22.0	26.5	30.4	36.6	45.9	57.7	
Prince Edward Island	2.9	3.1	3.3	3.8	4.8	5.8	6.6	8.4	9.9	
Nova Scotia	38.6	40.2	42.8	47.0	56.6	66.1	74.8	95.7	117.2	
New Brunswick	26.4	28.8	30.1	33.0	41.4	47.5	56.3	71.4	84.2	
Quebec	371.9	409.6	424.3	474.3	583.8	475.7	531.1	658.8	786.5	Not yet
Ontario	845.4	905.4	945.0	1,049.7	1.264.5	1,425.0	1,680.9	2,074.1	2,541.9	available
Manitoba	84.5	89.0	96.2	105.3	119.8	129.2	152.1	192.7	229.0	
Saskatchewan	60.1	63.2	73.8	86.0	108.1	115.3	134.1	169.3	181.6	
Alberta	126.9	135.6	146.6	156.4	182.8	205.0	249.8	326.4	395.0	
British Columbia	205.5	211.5	228.3	254.9	314.3	361.3	431.0	532.7	639.6	

SOURCE: Taxation Statistics, editions 1962-1970 inclusive—Table 1.

HISTORIC SITES—DESIGNATION OF PROVINCE HOUSE, CHARLOTTETOWN, P.E.I.

Question No. 866—**Mr. Macquarrie:**

1. Have requests been received for the designation of Province House, Charlottetown, P.E.I. as a national historic shrine and, if so, from what individuals or organizations were such requests or suggestions received, and what is the date of each?

2. What is the response of the Government of Canada to such requests?

3. In what other provinces has the building containing the meeting place of the provincial legislature been turned over to the Government of Canada?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yes, recently two written representations have been received, one from the Prince Edward Island Tourist Association dated December 10, 1970 and the other from the Cavendish Tourist Association dated December 17, 1970.

2. The Minister declared Province House to be of national historic significance on the recommendation of the Historic Sites and Monuments Board of Canada at its October 1966 meeting. The possibility of the Department taking an active part in the restoration and interpretation of Province House is under discussion with the Provincial Government of P.E.I.

3. None.

FISH SANCTUARIES

Question No. 870—**Mr. Robinson:**

How many fish sanctuaries are there in Canada (a) where is each located (b) what is the size of each (c) what species of fish are protected in each (d) how much is the cost to the federal government to maintain each sanctuary?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): None, but there are hundreds of areas throughout Canada where various species of fish are protected at one or all stages of their life history, usually to ensure adequate propagation to maintain the species. These areas are located on rivers, lakes and in the sea, and can be found listed in the Manual of Fisheries Acts and Regulations under the various Provinces' fishery regulations. Some areas protect fish only from commercial fishing, while others allow no fishing of any type. Species protected in these sanctuaries, or "closed areas" range from marine to anadromous to freshwater species and include halibut, herring, Atlantic salmon, Pacific salmon, whitefish, lake trout, etc. The size

of these closed areas varies greatly and their boundaries are detailed in the manual mentioned previously.

BANFF NATIONAL PARK—DEMOLITION OF GREENHOUSE

Question No. 883—**Mr. Sulatycky:**

1. What was the cost of demolishing the greenhouses in Banff National Park?

2. Were tenders called for the dismantling and removal of these structures and, if not, for what reason?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. $927.84 including equipment usage.

2. Tenders were not called as there was no salvage value and it was more economical to have the Parks Staff do the actual demolition.

FEED FREIGHT ASSISTANCE PROGRAM

Question No. 889—**Mr. Lambert (Bellechasse):**

What was the total paid by the government in subsidies for the transportation of grain during the years 1966, 1967, 1968, 1969 and 1970 in the Provinces of (a) Quebec (b) Ontario (c) New Brunswick (d) Nova Scotia (e) Prince Edward Island (f) Newfoundland?

Hon. H. A. Olson (Minister of Agriculture): Expenditures under the Feed Freight Assistance Program in these five years have been:

Fiscal year ended March 31st	1966	1967	1968	1969	1970
(a) Quebec	9,310,598	9,747,283	9,835,701	8,425,816	9,438,200
(b) Ontario	4,129,629	4,175,562	4,627,951	2,937,808	4,857,858
(c) New Brunswick	1,156,724	1,505,580	1,194,859	1,167,597	1,345,105
(d) Nova Scotia	2,075,261	1,837,771	1,838,314	1,622,498	1,782,344
(e) Prince Edward Island	482,592	479,532	533,025	403,734	347,893
(f) Newfoundland	758,197	515,401	507,152	488,688	634,119

*REVIEW OF CHARTER OF UNITED NATIONS

Question No. 900—**Mr. Fairweather:**

1. Does the government support the concept that a review of the Charter of the United Nations is necessary?

2. Did Canada support the initiative taken by eight governments at the last session of the General Assembly directed toward that end?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the reply to this question is rather lengthy and I wonder if the House would agree that it be printed in *Hansard* as if it had been read.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The answer follows:*]

1. A basic premise of Canada's foreign policy, as noted in the recent review, is to continue to work actively to make the United Nations a more effective instrument for international cooperation, and to ensure, in this context, that it can meet its responsibilities. Some suggest that, to achieve this end, a review of the Charter is necessary on the grounds that the Charter is now 25 years old, that conditions have changed greatly since it was drawn up, and that there are serious indications that the United Nations has not adequately met its central purpose of maintaining international peace and security. Others maintain that there is little evidence that the Charter itself has limited the scope for co-operation among states, that in fact it has adapted rather well to changing conditions, and that there is opportunity for further change within the existing framework. This argument suggests that the United Nations can be made more dynamic without actually rewriting the Charter, and that the effectiveness of the UN depends not upon changing the basic structure of the Organization so much as upon the political resolve of the member states to fulfil the obligations and the responsibilities each has undertaken in agreeing to abide by the provisions of the 1945 Charter. In short, the effectiveness of the United Nations is directly dependent on the political will of its members.

The Canadian Government is quite prepared to give serious consideration to all specific constructive proposals for the revision of certain provisions of the Charter, if a majority of the membership considers this would be useful. However, for such a review to be successful, it is mandatory that the permanent members of the Security Council and particularly both the United States and the Soviet Union, support the idea. At present there is little evidence to suggest that such agreement exists for a review at this time. In the interim, we consider that changes can be made within the existing framework to render the UN more effective. To this end we have supported the establishment of the Special Committee of 31 to make recommendations on rationalizing procedures in the General Assembly. We have also supported the efforts to further develop and codify international legal principles such as those relating to friendly relations and cooperation among states, and we are working within the Peacekeeping Committee to achieve agreement on ways of enabling the United Nations to act more effectively in dealing with peacekeeping situations.

2. At the Twenty-fifth Session of the General Assembly Canada voted in favour of a resolution, co-sponsored by Brazil, Colombia, Costa Rica, Nicaragua, Haiti, Japan,

Liberia, and the Philippines which decided to include an item on the agenda of the assembly session to be held in late 1972 entitled, "Need to consider suggestions regarding the review of the Charter of the United Nations".

REGIONAL DESKS IN THE PRIME MINISTER'S OFFICE

Question No. 913—**Mr. Peddle:**

1. How many Regional Desks are associated with the Prime Ministers' Office?

2. What is the name of the individual who heads each desk and his salary?

3. What regions do such desks represent?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): 1. Four.

2.	Salary Range
Gilles Dufault	$10,000-12,500
Jean Haché	$10,000-12,500
Colin Kenny	$10,000-12,500
David Thomson	$17,500-20,000

3. Quebec, Atlantic, Ontario and Western Canada.

CROP INSURANCE ACT—PAYMENTS FOR DAMAGES CAUSED BY HAIL

Question No. 935—**Mr. Laprise:**

Under the Crop Insurance Act, what amount has been paid each year to each province for damages caused by hail since the Act was passed?

Hon. H. A. Olson (Minister of Agriculture): Under the comprehensive coverage provided by agreements with the provinces made under authority of the Crop Insurance Act indemnities are paid on the basis of final crop yields which can be, and frequently are, affected by more than one cause of crop loss and it would be most difficult, if not impossible, to segregate the amounts paid in respect of any one cause of reduced yields.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

RECRUITING OF PERSONNEL FOR GOVERNMENT DEPARTMENTS

Question No. 425—**Mr. McCleave:**

1. What are the results of the recruiting plans up to the end of 1971 of departments, agencies and Crown corporations to employ (a) chartered accountants (b) lawyers (c) medical doctors (d) engineers?

2. Are they to be recruited by the Public Service Commission or by the department, agency or Crown corporation concerned?

Return tabled.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EDUCATION COSTS IN YUKON AND NORTHWEST TERRITORIES

Question No. 742—**Mr. Howard (Skeena):**

1. What was the total amount of money spent by the Department of Indian Affairs and Northern Development in federally operated schools and vocational training institutions for the education of residents of the Yukon and the Northwest Territories for the past five years and, what is the breakdown for each year?

2. What percentage of the total Northern Economic Development Branch budget do the above educational expenditures account represent?

Return tabled.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

POSSIBLE SALE OF HELICOPTERS BY GREAT BRITAIN TO SOUTH AFRICA—CANADIAN POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. It concerns today's announcement by his British counterpart, Foreign Secretary Home, regarding the issuance of export licences for the sale to South Africa of seven Wasp helicopters. Considering the degree to which arms sales to South Africa have been discussed between the British and the Canadian governments bilaterally and at Singapore, can the minister advise if the Canadian government was notified of this British move and, if so, is it the government's view that such action is in accord with the Singapore communiqué?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government was not advised in advance of the statement made by Sir Alec Douglas-Home in the British House of Commons. My only comment is that the statement, as it has been reported, is in accordance with British policy which has never been changed. It has been our view, and it continues to be, that the supplying of arms to South Africa will not promote the strength and the unity of the Commonwealth and we hope that the British government, notwithstanding the statement made, will not proceed.

Mr. Macquarrie: Considering that Canada is a member of the arms committee formed at Singapore, and in light of our past protestations, can the minister advise if within that committee Canada will take some initiative in respect of further sales of helicopters inasmuch as Mr. Home believes they have a commitment with respect to the first seven?

Mr. Sharp: As far as I know, Mr. Speaker, there have been no sales of helicopters by Britain to South Africa. The statement made by Sir Alec Douglas-Home, as reported to me, is that Britain would allow the export of Wasp helicopters if the South African government placed orders for them, but no orders have yet been placed. As far as the committee is concerned, it is true that Canada is a member of a committee to discuss the security of the Indian Ocean, and we would hope to have an active and useful role in that committee. I should add, however, that the British government never did say it would withhold action on the sale of arms to South Africa because of the formation of the committee.

POLLUTION

THREAT POSED BY TANKER TRANSPORT OF OIL FROM VALDEZ, ALASKA, TO CHERRY POINT, WASHINGTON—POSSIBLE MACKENZIE VALLEY PIPELINE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the fact that this past weekend at Blaine Peace Arch a large number of Canadians and Americans voiced their concern over west coast oil pollution flowing from the proposed tanker route from Alaska to Cherry Point, Washington, is the government making official representations to Washington requesting full consultation before further plans are proceeded with?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said in the House the other day, I have already invited the Secretary of State of the United States to consult with us on this question.

Mr. Rose: Mr. Speaker, I realize that as this is an international problem the minister's initiatives are somewhat limited, but is he prepared to go as far as his high office will allow to assert and reassert forcefully whatever initiatives are open to Canada in this very important matter?

Mr. Sharp: We have no dispute with the United States government at the present time. No decision has been made to authorize the building of the trans-Alaska pipeline system. As I have said in the House, and I repeat it, I hope that all those concerned about the dangers of pollution, as I am and as the Canadian government is, will raise their voices quite clearly so that the decision by the board that is now examining the question can be made in light of these environmental considerations. It would not be appropriate at the present time for me to do more than consult with the United States government about any problems that may arise in the future.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, in view of what the minister has just said, that we should make our representations known, is the government again making representations rather than inviting consultation? Are the minister and his department making representations in this regard?

Mr. Sharp: Mr. Speaker, as I said previously in the House, a United States government board is holding hearings now on the question of whether the trans-Alaska pipeline project should go ahead. It would not be appropriate for the Canadian government to appear before such a United States body. A member of this House has appeared in his private capacity and in my view has made a most useful intervention. But I do believe it is important that all of those concerned, particularly the people affected in the state of Washington and in the province of British Columbia, should make their views about this question known so that at least this decision is made in the full knowledge of the very serious dangers of pollution that exist. I have no hesitation in saying on behalf of the Canadian government that we believe there are serious dangers of pollution.

Inquiries of the Ministry

Mr. Randolph Harding (Kootenay West): Having regard to the delay in proceeding with the trans-Alaska pipeline system, may I ask whether any pressure has been brought to bear upon the Canadian government by United States oil companies for the building of a pipeline down the Mackenzie River Valley?

Mr. Sharp: No, I do not know of any pressure from United States oil companies. As the hon. member is aware, there has been discussion between the Canadian and United States governments on the subject of an oil policy and at that time there was some talk about whether the pipeline should be continued on to supply Montreal.

Mr. David Anderson (Esquimalt-Saanich): I should like to know whether the Secretary of State has received a reply to his letter of last Wednesday, I believe, to the United States Secretary of State on this question.

Mr. Sharp: We have not yet received a formal reply in writing but when my message was transmitted to the Secretary of State there were some informal soundings.

Mr. Harding: I have a further supplementary for the Secretary of State for External Affairs. When may we expect the results of the feasibility study being undertaken in connection with the projected Mackenzie Valley pipeline?

Mr. Sharp: I suggest that question should be directed to the minister directly concerned with these matters, namely, the Minister of Energy, Mines and Resources who I expect will be here within the next day or so.

[*Later:*]

CANADIAN POSITION ON CONTINENTAL ENERGY POLICY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs which really is supplementary to an earlier round of questions. Since it has been suggested by Robert Clark of the United States Bureau of Commercial Fisheries that our oil pollution problem could be solved by a United States-Canada energy policy, has the government yet made clear to the United States Canada's position on a continental energy policy?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I have said on other occasions, we are not discussing a continental energy policy. However, I think the hon. gentleman will agree that in so far as we have our own policies we should try to co-ordinate them for the mutual benefit of both countries.

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GRAIN

FAILURE OF INTERNATIONAL WHEAT CONFERENCE TO REACH PRICE AGREEMENT—GUARANTEED MINIMUM DOMESTIC AND EXPORT PRICES

Mr. Don Mazankowski (Vegreville): I have a question for the minister in charge of the Wheat Board. Since the

international wheat trade conference failed to agree upon a minimum price structure, thus establishing a free market and prolonging the uncertainty in the Canadian grain industry, can the minister tell us what initiatives the government is considering toward setting up an equitable guaranteed minimum scale of prices for Canadian grain, both for domestic and export consumption?

Hon. Otto E. Lang (Minister of Manpower and Immigration): As I have said a number of times in the House during the last ten days, nothing very much has changed as a result of what was done during this particular stage of the discussions. We shall be watching with interest the possibility of pricing talks being reconvened under the jurisdiction of the wheat council.

Mr. Mazankowski: Bearing in mind the desperately low incomes of western farmers, can the minister tell us whether consideration is being given at the present time to increasing the domestic price level of wheat to a figure in the order of $3 a bushel?

Mr. Lang: There are, of course, a number of issues before us as a government in the form of our proposals affecting grain. But I think the most immediately useful thing we could do would be to get the legislation into the House and proceed to implement the stabilization program and other things of that sort.

Mr. Mazankowski: Mr. Speaker, I wonder if the minister could indicate to the House what the government intends to do to alleviate the hard-pressed position of Alberta's 65,000 farmers who in 1970 recorded an average net income of only $1,325?

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

TIME OF PAYMENTS TO FARMERS UNDER STABILIZATION PROGRAM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the minister's statement in answer to a question on a televised program yesterday that the government might well come forward with a payment of $100 million in respect of the stabilization program earlier than the end of the current crop year, can he inform the House as to the approximate time of such a payment? Will it be prior to seeding or June 1?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I cannot add anything to what was said earlier on this subject in the House. I would envisage that it would depend on the specific provisions of the legislation, which of course is not yet before the House. Therefore I doubt that there would be any possibility of this happening before seeding.

Mr. Gleave: Mr. Speaker, I appreciate the minister's dilemma, but in view of the statement by the minister on the same program about the possibility—

[Mr. Mazankowski.]

Mr. Speaker: Order, please. The hon. member cannot ask questions of ministers about statements made outside the House. He should ask his question directly if he seeks information from the minister at this time.

Mr. Gleave: Mr. Speaker, may I rephrase my question. Will it be possible, earlier than the end of the current crop year, to make a payment on the basis of the plans set out in the cereal grains stabilization program, or are other methods being considered which will make earlier payment possible?

Mr. Lang: Mr. Speaker, that whole question is being considered.

INQUIRY AS TO CONTINUATION OF LIFT PROGRAM IN NEXT CROP YEAR

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, may I direct a supplementary question to the minister. Is the minister planning the continuation of the Lift program in the next crop year?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the Lift program, which was designed as a one-year program specifically to avoid the difficulties associated with such a program extending for a number of years, succeeded fairly well in attacking part of the inventory problem in regard to wheat. There is no intention to continue it.

Mr. Moore: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I see that a number of hon. members apparently wish to seek the floor to ask supplementary questions on this subject. May I caution hon. members that we ought to go to another subject soon. For the moment, however, the Chair will recognize the hon. member for Wetaskiwin.

Mr. Moore: Mr. Speaker, may I ask the minister what advice grain growers are to be given this year in regard to what they should or should not grow?

Mr. Lang: Mr. Speaker, I should be glad to refer the hon. member to the statement I made in the House on October 28 or 29 and to indicate to him that I have nothing further to add at this stage, although we may have some elaboration before long.

GRASSLAND INCENTIVE PROGRAM—ON-FARM INSPECTION PRIOR TO PAYMENTS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration who is in charge of the Wheat Board. In connection with the grassland incentive program announced by the minister today, will applications for payments be subject to on-the-farm inspections by PFAA?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the expected procedure is that half

of the $10 payment will be made at the time of the completed application and the other half of the payment will be made one year later after there has been opportunity for inspection.

USE OF TREASURY FUNDS BY UNITED STATES TO MAKE WHEAT COMPETITIVE—CANADIAN ACTION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the report from the Geneva International Wheat Conference that the United States will use its government treasury to ensure that United States wheat is competitive, can the Prime Minister say whether Canadian producers can expect the same consideration from the Canadian treasury in order to ensure that we obtain our share of the world market?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the premise of the question is purely speculative. There is no indication that this will happen. So far as the Canadian treasury is concerned, it does support to a considerable extent the Canadian wheat grower.

Mr. Hees: Mr. Speaker, may I ask a question?

Mr. Skoberg: On a point of order, Mr. Speaker, the Prime Minister suggested that the premise of the question was purely speculative. This is a report from the Geneva conference by one of the United States delegates.

Mr. Speaker: Order, please. That is hardly a point of order. The hon. member for Prince Edward-Hastings.

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TRADE

ACTION TO INCREASE EXPORTS OF MANUFACTURED PRODUCTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In view of the sharp falling off in export sales so far this year, is the government planning a massive trade drive to increase exports, particularly of manufactured products which, as the Prime Minister knows, are labour intensive and very much needed to provide additional job opportunities at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to welcome the hon. member back from the Bugaboos if I were not afraid that the opposition might think it was an obscene word and ask what it is. With regard to the question that the hon. member asked, I point out to him that the record of performance of the Canadian economy in the last year has been double that of any previous year in our peacetime history. Therefore I think that the hon. member should be congratulating us on the management of the economy.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, perhaps the Prime Minister is not aware that exports of manufactured products increased by only 4.2 per cent last year, which is a very low increase.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Would the hon. member kindly ask his supplementary?

Mr. Hees: Mr. Speaker, I just wanted to bring the Prime Minister into the picture. I ask the Prime Minister to look personally into the operations of the Department of Industry, Trade and Commerce so that he may learn first-hand that the departments strong desire to begin a massive trade drive has been frustrated by the government's refusal to finance such a trade drive.

Mr. Speaker: Order, please.

Mr. Benson: There is a $3 billion surplus.

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NATIONAL SECURITY

REPLACEMENT OF PUBLIC ORDER (TEMPORARY MEASURES) ACT BY PERMANENT STATUTE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a question to the Prime Minister. In light of the firm statement made by the Premier of Quebec that a permanent law will replace the Public Order (Temporary Measures) Act after the end of April, may I ask if the government has changed its position since January 11 when the Acting Prime Minister said that the matter would not be dealt with by legislation? Is the government now engaged in drafting such a bill?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government's position will be announced on this. What we have said, and the position on which I confirm the Acting Prime Minister as being right, is that we would bring the matter before the House before the expiration of the Public Order (Temporary Measures) Act. The form in which it will be brought in will be known to the House when it is introduced.

Mr. Baldwin: Mr. Speaker, in light of the fact that the Premier of Quebec said that discussions are now being carried on between the governments, may I ask if these discussions are limited to the government of Quebec and the government of Canada or are the governments of the other provinces taking part in the discussions? Also, was the matter discussed at the recent federal-provincial conference?

Mr. Trudeau: Mr. Speaker, the matter was not discussed at the recent federal-provincial conference. If there are any discussions with the province of Quebec, they are only at a very informal level. I do not know of them as such. There has perhaps been some consultation between our Minister of Justice and the Minister of Justice of Quebec as to the way in which the Public Order (Temporary Measures) Act has applied, but there

has certainly been no formal exchange with the totality of the provinces.

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WELFARE

MEETING WITH TORONTO OFFICIALS TO DISCUSS WORKS PROJECTS TO ALLEVIATE PROBLEM OF COSTS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Prime Minister. Has he made any appointment with the chairman of the Metro Toronto Council and the mayor of Toronto to discuss the question of the sharply rising costs of welfare and possible public works projects which, with federal participation, might alleviate that problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not such a meeting envisaged at the present time. I am not sure whether I have been invited to participate in such a meeting.

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CAPE BRETON DEVELOPMENT CORPORATION

PRERETIREMENT PLAN—DISPOSITION OF UNEMPLOYMENT INSURANCE FUNDS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Labour. Can the minister report to the House any progress on the recovery from Devco of Unemployment Insurance Commission funds taken from the people in respect of the preretired miners?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I wonder if the hon. gentleman would refer his question directly to the Minister of Regional Economic Expansion who is responsible in the House for Devco.

Mr. McGrath: He cannot do anything; he does not know anything about it.

Mr. MacInnis: Mr. Speaker, the Devco situation becomes more bewildering every day, more so to the government than to myself. If I have a question with respect to the Unemployment Insurance Commission, there is only one minister to whom it can be directed and that is the minister who has that responsibility.

Mr. Mackasey: Mr. Speaker, I understand that the hon. member has that right, but he is asking about Devco and Devco is not the Unemployment Insurance Commission. The Devco preretirement plan is a combination of UIC benefits and a supplementary sum of money advanced by Devco. I suggest to the hon. member that the question be referred to the Minister of Regional Economic Expansion to see whether the increase by 10 per cent in unemployment insurance benefits will be taken into consideration by Devco in adjusting or not adjusting their supplement to unemployment insurance.

[Mr. Trudeau.]

Mr. MacInnis: With Your Honour's permission, I will stay with the Minister of Labour. In that Devco has admitted publicly that they used coercion with respect to establishing this plan, will the minister make an effort to recover all the UIC funds which have been taken under duress?

Mr. Mackasey: Mr. Speaker, I cannot accept that premise.

Mr. MacInnis: A further supplementary.

Mr. Speaker: Order, please. The hon. member cannot go on asking supplementaries. I believe he has already had two supplementaries. The Chair will recognize the hon. member for one further supplementary and perhaps we might then move on to another subject.

Mr. MacInnis: Probably a point of order would be more appropriate. The minister said he could not accept my premise. I ask the minister to read the evidence given before the Standing Committee on Justice and Legal Affairs at which time Devco admitted the use of coercion.

Mr. Speaker: Order, please.

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FLOODS

NOVA SCOTIA—REQUEST FOR FUNDS TO REPAIR DAMAGE

Mr. Robert McCleave (Halifax-East Hants): My question is for the Prime Minister. Will the Prime Minister indicate if the government has reached a decision regarding the request of Nova Scotia for flood relief? If so, what is the decision?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to inquire. The government has not reached such a decision. I am not even sure if I have received a request as of this date for such relief.

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LABOUR RELATIONS

DISPUTE BETWEEN HUDSON BAY MINING AND SMELTING COMPANY AND EMPLOYEES—PROVISION OF MEDIATOR

Mr. S. J. Korchinski (Mackenzie): My question is for the Minister of Labour. Has the minister received a request for a mediator, has a mediator been provided, and are there any developments in the dispute between the Hudson Bay Mining and Smelting Company and the union, involving approximately 2,500 employees?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, there has been no official request yet from either management or labour or management and labour together for a mediator in that dispute. I would hope that both management and labour would understand the terrible economic hardships that are being imposed on that particular town because of their lack of understanding of each other's position and their responsibility to the com-

munity. If and when such a request is received, we will act upon it promptly.

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FINANCE

BANK OF CANADA POLICY RESPECTING MONEY SUPPLY

Mr. Max Saltsman (Waterloo): My question is for the Minister of Finance. Can the minister inform the House whether it is his view that the standpat policy of the Bank of Canada since the beginning of the year with regard to the money supply is consistent with the stated expansionary policy of the government? If the minister does not agree with the Bank of Canada, can he indicate what action he intends to take in this regard?

Mr. Speaker: Order, please. The first part of the hon. member's question is very theoretical. The minister is being asked to express an opinion as to the policy or non-policy of the Bank of Canada. That part of the question is certainly not in order. With regard to the second part of the question, if we stretch things a bit it might be considered to be in order and the minister might want to reply.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the policy of the Bank of Canada is a steadily expanding monetary supply, with which I agree.

Mr. Saltsman: In view of the minister's agreement, may I ask whether his purpose in supporting that policy is to maintain higher levels of interest rates in Canada than in the United States?

Mr. Benson: No, Mr. Speaker. This policy means lower interest rates in Canada.

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UNEMPLOYMENT INSURANCE

USE OF MANPOWER OFFICERS TO DEAL WITH CLAIMS IN LOCATIONS WHERE COMMISSION STAFF WITHDRAWN

Mr. Mac T. McCutcheon (Lambton-Kent): I have a question for the Minister of Labour. I apologize for not having given prior notice. Has the minister given consideration to arranging for manpower officers to be given the responsibility for dealing with unemployment insurance claims in locations where they operate and where UIC staff have been withdrawn? I understand that many of these people would welcome duties of this nature as many of their specific responsibilities—

Mr. Speaker: Order, please. The hon. member is now making a speech. Perhaps the minister might reply to the first part of the address.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, even without advance notice I appreciate the question. What the hon. member really wants to know is what we can do to provide better service to the unemployed. Last week we opened four new claims service offices in the Vancouver area. After the question period I will be pleased to discuss the particular problems of the area the hon. member represents to see if we can improve the service there.

Mr. McCutcheon: Mr. Speaker, I shall endeavour not to make a speech. I wish to direct my supplementary question to the Minister of Manpower and Immigration. Will the minister agree to some such measure, even on a temporary basis, in order to help avoid the hardship caused by applicants having to travel great distances to UIC offices?

Hon. Otto E. Lang (Minister of Citizenship and Immigration): Mr. Speaker, the Minister of Manpower and Immigration and the Minister of Labour find it very easy to co-operate. I am sure we will do everything that is reasonable after the conversation to which the Minister of Labour just referred.

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CITIZENSHIP

HIRING OF ALEXIA ALEXANDROVICH BANDA BY BRANCH

Hon John N. Turner (Minister of Justice): Mr. Speaker, I have been asked by the Minister without Portfolio who responds for Information Canada to reply to a question directed to him on February 17 by the hon. member for Edmonton Centre. In the absence of the Minister without Portfolio the hon. member asked "under whose recommendation Alexia Alexandrovich Banda was hired for the Citizenship Branch under Information Canada in the Vancouver area."

I have been asked by my colleague, who is in Toronto on government business, to tender his response to this question. The Citizenship Branch which, incidentally, has never been under Information Canada, never hired Alexia Alexandrovich Banda. On Friday the hon. member for Edmonton Centre referred to one Alex Bandy, whose full name I understand is Sandor Emerich Bandy. Alex Bandy, a Canadian citizen, was hired on a casual term basis by the Citizenship Branch on January 15, 1971, for a period ending March 31, 1971. He was hired by the Vancouver field officer for research and documentation.

Mr. Speaker: The hon. member for Spadina.

Mr. Steven E. Paproski (Edmonton Centre): A supplementary, Mr. Speaker—

Mr. Speaker: I have to interrupt the hon. member for Spadina who, as always, has been very patient. The hon. member for Edmonton Centre has a supplementary.

Mr. Paproski: Was a security check made on this gentleman?

Mr. Turner (Ottawa-Carleton): I am advised by my colleague that no security clearance is required for casual term employees under these circumstances by the Citizenship Branch.

Inquiries of the Ministry

WELFARE

PROJECTIONS OF INCREASED COSTS BECAUSE OF GOVERNMENT MONETARY AND FISCAL POLICIES

Mr. S. Perry Ryan (Spadina): My question is for the Minister of Finance. Did the government develop projections of the increased welfare costs the cities and provinces would have to shoulder as a result of the restrictive monetary and fiscal policies the government followed to fight inflation? If so, will the government table these projections for this winter?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, without accepting the precept—the premise of the hon. member's question, the government estimates what its share will be under the Canada Assistance Plan, which is 50 per cent of welfare costs. These figures are tabled in the estimates.

Mr. Ryan: I wish to make it clear that I am not in the habit of issuing precepts. Those come from the government, perhaps a little too frequently and too harshly. Is it the position of the government that this burden on the provinces and cities is of no concern to the federal government?

Mr. Benson: Not at all, Mr. Speaker. We pay 50 per cent of the costs.

Mr. Speaker: Order, please.

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REGIONAL ECONOMIC EXPANSION

INCENTIVE GRANT TO STANFIELD'S, LIMITED

Mr. Lorne Nystrom (Yorkton-Melville): I have an urgent and pressing question for the Minister of Regional Economic Expansion. Will the minister undertake to table all correspondence and representations made to him and his department regarding the recent awarding of a regional development incentive grant of $67,000 to the Stanfield underwear company of Truro, Nova Scotia?

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

ISRAELI-ARAB CONFLICT—CANADIAN POSITION ON EGYPTIAN PEACE PROPOSAL

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs and it relates to the continuing difficult situation in the Middle East. Can the minister inform the House whether or not the Canadian government has taken any position on the recent peace proposal of the Egyptian government, and can the minister indicate, either now or later in a statement on motions, what is the position of the Canadian government with respect to that proposal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the answer to the first part of the question is that the Canadian government has not been asked for its views. Negotiations have been proceeding through Ambassador Jarring and we hope the outcome will be successful. I think we are all a little more encouraged today than we were yesterday by the developments that have taken place. As I say, we have not been consulted directly, and there is no particular reason why we should take a position as between Israel and the Arab countries. Our hope is that Ambassador Jarring will succeed.

[Mr. Turner (Ottawa-Carleton).]

Mr. MacDonald (Egmont): Mr. Speaker, since I think the minister would agree that the proposal presently under discussion is more than just a proposal that is representative of only one side of the question, will the government be taking any steps to initiate discussions, either bilaterally or multilaterally, on this important question, and perhaps more specifically with the government of Israel?

Mr. Sharp: Mr. Speaker, we have entrusted Ambassador Jarring with this delicate task and I think he should be left to carry on. He is a very skilful negotiator and we wish him every success.

* * *

AGRICULTURE

EXPORT OF BROILER CHICKENS—EXTENSION OF TENDER CLOSING DATE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. To try to solve one side of the chicken and egg war, has the government agreed to buy up broilers in the last several weeks?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, about two weeks ago—I do not recall the exact date—we called for tenders for the export of broilers from Canada.

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. In view of the fact that broilers are at least being considered for purchase under a government subsidization program, can the minister say whether or not the government is considering a similar proposal for surplus eggs from Manitoba?

Mr. Olson: Mr. Speaker, at the present time broilers are not under a support program. Eggs are under a continuing support program of 28.5 cents a dozen on the national weighted average. I should also advise the hon. member that only very recently there has been a rather large volume of eggs exported from Canada. There has been no export of broilers from Canada during the past few months.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. In view of the fact that the time for tendering for broilers was extended by one week, could the minister advise the House when the result of the tenders will be published and the successful tenderer named?

Mr. Olson: Mr. Speaker, I would hope later today. The tender period was extended because a number of firms complained that seven days was insufficient time to ascertain the information they would need to make a tender—that is today, to make arrangements with overseas buyers and so on. Therefore we extended the date for closing the tenders until noon today, February 22. I hope that within a very few hours we will be able to announce who the successful tenderer is.

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MANPOWER

PLANS FOR PROVISION OF SUMMER EMPLOYMENT FOR STUDENTS—GRANT TO SOCIAL DEVELOPMENT COUNCIL FOR CONFERENCE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Can the minister state whether a grant has been given to the Canadian Council of Social Development to stage a conference on student employment, as requested? While I am on my feet, may I ask the minister when we can expect a statement from him on student employment for the summer?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, no decision has been taken on these matters. We do, of course, hope that before very long we may be able to announce our decision.

Mr. Speaker: Order. I believe the hon. member for South Western Nova has a supplementary to the previous question.

Mr. Comeau: No, Mr. Speaker, but the minister did not answer my question. I should like to ask him when we may expect a statement on this summer's student employment picture.

Mr. Lang: That is the question I answered, Mr. Speaker.

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AGRICULTURE

EXPORT OF BROILER CHICKENS—EXTENSION OF TENDER CLOSING DATE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I do not know how you could possibly mistake me for the hon. member for South Western Nova, but I have a supplementary for the Minister of Agriculture. I should like to ask the minister whether the tendering time was extended for one week because the original tenders were too high?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. The reason for the extension was that a number of people involved in the trade indicated to us that seven days was insufficient time for them to contact overseas buyers, arrange for shipping, and then to put in a tender. Tenders were called on the basis of the difference

between the price in Canada and the relationship of that factor to the cost of getting the broilers to the overseas market.

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GRAIN

WHEAT—INQUIRY AS TO IMPLEMENTATION OF TWO-PRICE SYSTEM

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister inform the House whether the government has yet made a decision on the implementation of a two-price system for wheat, and can we expect a statement on this in the near future?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the minister responsible for the Wheat Board answered a similar question a little earlier today.

* * *

NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—INTERVENTION OF INDUSTRY SPECIALIST—AMENDMENT OF OFFER TO REMOVE DISPARITY

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the fact that the offer made by Treasury Board to the east and west coast dockyard workers increases the disparity in wages between these two groups, and since the offer has been rejected by an almost 100 per cent vote of the workers, can the minister advise whether or not there has been any request for the assignment of an industry specialist in this area, or if the minister has been holding consultations with the President of the Treasury Board with a view to correcting the offer so that it will not increase the disparity in wages?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, past experience indicates to me that the President of the Treasury Board is quite capable of looking after collective bargaining in the Public Service and does not need advice from the Minister of Labour.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wonder whether the minister would advise the President of the Treasury Board that it is poor labour practice to offer the top wage suggested in a majority report to one group and the bottom wage suggested in a minority report to another group?

Mr. Speaker: Order, please.

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MANPOWER

RETRAINING PROGRAM—DISCUSSION OF INCREASE IN FACILITIES WITH PROVINCIAL GOVERNMENTS

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In

view of the heavy demands being made on manpower training facilities and the resultant inability of some people to find accommodation within the program, is the minister holding discussions with the provincial governments in order to increase facilities available for manpower training?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the facilities are not manpower facilities but rather facilities provided by or obtained within the provinces. There are continuing discussions taking place between manpower officials and the various departments of the provinces in connection with facilities that are available and future requirements, and these discussions continue steadily.

* * *

GRAIN

ALLEGED SLOWDOWN IN MOVEMENT TO VANCOUVER BECAUSE OF LABOUR PROBLEMS—ADVANCE NOTICE OF GRADES REQUIRED

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Labour. In view of the observation made by the Minister of Manpower and Immigration yesterday on the program "Question Period" to the effect that there was some slowdown in the movement of grain to Vancouver during the period when a couple of sporadic labour problems led to difficulties, can the minister inform the House where the slowdowns occurred and for how long the flow of grain was slowed down?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, not having had any advance notice of this question I can hardly answer it with any accuracy.

Mr. Skoberg: Mr. Speaker, may I put a supplementary question to the Minister of Manpower and Immigration who is in charge of the Wheat Board. In view of the fact that grain movement to Vancouver was slowed down for only two days, can the minister inform the House how much advance notice is required to meet our commitments for specific grades of grain bound for export?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I must have missed something at the beginning of the question and I would be glad to have the hon. member repeat it.

Mr. Speaker: Order, please.

* * *

[*Translation*]

POST OFFICE

FORMER EMPLOYEES OF G. LAPALME INCORPORATED—RESULTS OF MEETING BETWEEN PRIME MINISTER AND PRESIDENT OF CNTU

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

[Mr. Rowland.]

Last Friday he met the president of the CNTU, Mr. Marcel Pépin, with regard to the former employees of G. Lapalme Inc.; I should like to ask him whether an agreement was reached as a result of this meeting?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, one can say an agreement was reached but not on the matter of rehiring the men. We agreed to consider any CNTU proposal that might be fair to all parties concerned, including the people the government assigned to posts turned down by the former employees of G. Lapalme Inc. Although no agreement was reached with regard to resuming negotiations, on either side, we did not however close the door to future representations, should there be need for any.

Mr. Caouette: Mr. Speaker, I have a supplementary. Can the Prime Minister tell us whether Mr. Marcel Pépin intends to submit suggestions to the government with a view to settling this conflict which has been going on for several months?

Mr. Trudeau: I cannot say, Mr. Speaker. Mr. Pépin had no specific suggestions to make on Friday. He should perhaps make suggestions to the former employees of G. Lapalme Inc. and submit a specific proposal to the government. However, as I said before, no proposals were made on Friday.

[*English*]

Mr. Speaker: Orders of the day. Is the hon. member rising on a question of privilege?

Mr. MacInnis: Yes, Mr. Speaker. My question of privilege arises from the fact that the Minister of Labour indicated I had prefaced a question with a statement that was not in accordance with the facts. At that time I referred to the fact that Devco has used coercion on preretired miners. This statement was questioned by the minister, so I ask him to check what the vice-president of industrial relations of Devco said before a committee in answer to a direct question by the hon. member for Halifax-East Hants (Mr. McCleave):

> So in effect this would be the coercion to get him down there.

He was referring to the Unemployment Insurance Commission people. The answer given by Mr. McDade, the vice-president of industrial relations was: "Yes." I would simply ask the minister this question.

Mr. Speaker: Order, please. The hon. member now seeks to ask the minister a question. He has raised a matter of discussion as to the accuracy of either the statement made by the hon. member or the reply given by the minister. I suggest this is a matter of debate between the minister and the hon. member, and I am wondering whether the minister and the hon. member might not get together and look at the evidence before the committee in an attempt to straighten out the matter. I really do not think this can be resolved by a question of privilege.

Mr. MacInnis: I rise on a point of order and I do so with great deference to you, Sir. Has it not been a rule of

this House for a long time that no member can question a minister on anything outside his own area of responsibility? If that is the case, the Minister of Labour refused to answer a direct question involving Unemployment Insurance Commission benefits, by referring it to the Minister of Regional and Economic Expansion, and it has nothing to do with that minister.

An hon. Member: It does.

Mr. Speaker: Order, please. It is my suggestion that we will become involved in a debate between the minister and the hon. member. I think this may very well be the subject of an interesting debate, but it cannot be raised at this time on a question of privilege. I think this is the kind of situation which should be resolved in another way, perhaps by direct discussion between the minister and the hon. member.

Mr. MacInnis: I have a further point of order, Mr. Speaker. The Minister of Regional Economic Expansion—

Mr. Speaker: Order, please. There is no question of privilege and the hon. member is seeking to pursue the matter further by way of a point of order. There is really not a valid point of order. Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

On the Order:

January 25, 1971—Second reading in reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-219, an Act to establish the Canada Development Corporation—the Minister of Finance.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, some time ago, on a point of order, I filed an oral caveat in respect of this bill in the expectation that there was a point which ought to be discussed in order to give the Chair an opportunity to examine the precedents and in order to give other hon. members, including the Government House Leader, the same opportunity. It deals very simply with the question of whether this is a hybrid bill, whether the procedure employed to introduce such bills is proper, whether we must change our procedure in future with regard to the carriage of these bills, and what will be the consequences if, in fact, this bill is declared by the House and Your Honour to be a hybrid bill.

The subject is a novel one. It has not had too much discussion in the House, but as I see the picture, we are now getting into a stage where this kind of bill may well be presented repeatedly in the future. It is about time we considered this possibility and laid down our practice. I am reinforced in this case by what Your Honour said on January 26 when dealing with a point of order raised by

my colleague, the hon. member for Halifax-East-Hants (Mr. McCleave) in connection with the government organization bill. Your Honour pointed out very properly something which we on this side of the House have always felt was so, but which the government people seem to have forgotten. Your Honour stated that a government bill is subject to the same rules, criteria and examination, and can be subject to the same difficulties as private bills. You also indicated that this matter should be raised before second reading.

The question of what is a hybrid bill is something which has engaged the attention of the United Kingdom House. As it may be a rather strange and foreign word the hon. members, I am going to briefly indicate what is a hybrid bill, why this bill should be considered as such, and if so what the consequence will be. In the United Kingdom, because of the fact there have been socialistic and capitalistic governments replacing each other over the years, especially since the 1920's, there have been many bills dealing with nationalization, renationalization and denationalization. In addition to that, the Parliament of the United Kingdom operates in a unitarian state and consequently questions relating to many matters and the operation of the rules dealing with hybrid bills are raised more frequently.

Because there have been a great many precedents going back over the years on this issue, the House of Commons at Westminster established a committee in 1948 which reported on February 14, 1949. This report was the subject of a very interesting debate in the House at that time. In order to set the foundation for this argument, I just want to take the time to read one or two extracts from that report. It was introduced by the Lord President of the Council, Mr. Morrison, later Lord Morrison, now deceased. He said:

> The Report which we are inviting the House to approve is really a piece of Parliamentary spring cleaning, and the dusty corner we want to start to sweep out is our procedure for handling hybrid Bills on the Committee stage—

He goes on to say:

> —that is, those Bills which are public Measures but which also affect private interests in such a way that we apply to them our Standing Orders and procedure relating to private business.
>
> We have had before us in the last few years quite a number of hybrid Bills, some important, some relatively unimportant; and I have no doubt that more will be needed in years to come.

That was a socialist philosophy and I am not saying that disparagingly. I see that the hon. member for Winnipeg North Centre (Mr. Knowles) was about to rise when I used those words.

Then the lord president of the council went on to state, after reciting a long list of bills which fall within the category of hybrid bills and in respect of which the special procedure was invited and in fact required:

> The hybrid Bill is somewhere half-way between the ordinary public Bill and the private Bill, and so it is not very surprising that the procedure we recommend the House to adopt lies somewhere half-way between the two forms of practice which I have just described.

Canada Development Corporation

• (3:10 p.m.)

I am going to leave it to my hon. learned colleague, the hon. member for Edmonton West (Mr. Lambert) who is intimately acquainted with all the details of this bill to deal with this further. In due course, I hope early, if Your Honour allows the point of order I am making, the hon. member will be speaking for Her Majesty's Loyal Opposition in respect of this bill. I will leave it to him to argue, in detail and I think with logic, that this bill does in fact have the qualities of a private and a public bill, and as such must be classified as a hybrid bill. I should like to call the Minister of Finance (Mr. Benson) to confirm this statement. When Bill C-219 was introduced, the Minister of Finance, who probably had some doubts concerning the reception of the bill issued a press release. On Page 2 of that press release we find certain comments by the Minister of Finance which I suggest Your Honour can consider in the course of this argument. These are the comments:

> Able and experienced entrepreneurs will direct the corporation's operations to areas of critical importance in economic development—to high-technology industry, to resource utilization, to northern-oriented companies and to industries where Canada has a special competitive advantage.

And then further on the same page:

> It is a principal objective to have CDC shares widely held. Shares will be sold to the public in competition with all other investment vehicles, and the bill specifically directs CDC to invest for profit in the best interest of the shareholders. The CDC will act in the broad area in which the national interest and the profit motive are compatible. The CDC will seek to develop balance and diversity in its holdings.
>
> The capital structure is designed to give the corporation a high degree of flexibility in raising funds from the public.

I quote those words to support the argument which will be made in much more detail, and quite convincingly, by my hon. friend from Edmonton West that in addition to the public aspect of the bill, which is quite apparent from the second and third parts, the first part of the bill taken together with this statement is an indication beyond any shadow of a doubt that this bill has many of the aspects of a private bill.

In the belief that the arguments which will be advanced by the hon. member for Edmonton West, and other hon. members, in support of this contention will result in a statement by the Chair that this is a hybrid bill, I propose for a very few minutes to indicate to Your Honour what are the likely consequences so far as this bill is concerned. I do so because there have been only one or two instances in our Parliament when this issue has, in fact, been raised. I think there are one or two precedents which can be cited. There is a reference in Bourinot's second edition, at pages 688 to 695, to a ruling in respect of an act to increase the harbour accommodation of the City of Toronto and to extend the esplanade. This ruling dates back to 1883 but it has not been altered since then.

Then, Mr. Speaker, I wish to quote from Beauchesne in this regard. It has been recognized by this learned author on parliamentary practice—and I am referring to the fourth edition of Beauchesne at page 351, citations 482 and 483—that a situation can arise where a bill introduced by the government, apparently as a public bill, can have such substantial elements of a private bill that consideration must be given to that fact. One consideration is contained in citation 482, which deals with what the result is on second reading:

> The second reading of a private Bill corresponds with the same stage in other Bills, and in agreeing to it the House affirms the general principle, or expediency, of the measure. There is, however, a distinction between the second reading of a public and of a private Bill, which should not be overlooked. A public Bill being founded on reasons of state policy, the House, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private Bill, being mainly founded upon allegations of fact, which have not yet been proved, the House, in agreeing to its second reading, affirms the principle of the Bill, conditionally, and subject to the proof of such allegations before the committee.

That is reinforced quite strongly, Mr. Speaker, in the debate which took place in the House of Commons, in Westminster when Mr. Morrison made it quite plain that in his view the report of the committee would mean that a bill, once held to be a private bill, would receive a different type of treatment so far as second reading was concerned. Even though we have altered our rules here, and to some extent have diluted the effect of the second reading, that has not affected the principle that a private bill is always subject to the facts alleged in it being confirmed at the committee stage.

I suggest to Your Honour that you should very seriously consider, if a bill is held to be a hybrid bill, that the question of the effect of second reading must differ from that of a public bill. I think that is of some consequence now because we are dealing with a very important measure. It may well be the first of a great many bills of this kind. I think Your Honour can take judicial notice of the debates in this House, and the regard given by you to a request by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) for a special debate under Standing Order 26 dealing with a matter which is probably closely related to this bill. There have been a great many other questions asked. The press is full of these statements. The question of economic nationalism is very much to the fore in this country. Having in mind the requests made and suggestions advanced in the press, by members of the public and by members of this House, I fully expect that this government or its successor will hear requests for a great many other bills along the lines of this legislation.

For that reason, I consider it extremely important that some precedent be now established and that we who are members of this House should have an opportunity to have Your Honour consider the effect of this argument so that you might be able to tell us, if this is a hybrid bill, what we will have to do when we give second reading to it. It is true enough that there is a public interest and a private interest. I do not believe I have any difficulty in arguing that the public interest will always suffer from undue interference with the private interest. It is for this reason that in respect of a hybrid bill there should be an opportunity for those members of the public at large, who are more particularly affected than the average

person, to appear before the select, standing or joint committee to outline their views and indicate, if they have a special interest, what they object to in the bill. That is a right with regard to a hybrid bill which, in the United Kingdom at least, has now been settled as being beyond any doubt.

I suggest to Your Honour that this course has been incorporated in a standing order of the United Kingdom Parliament, namely, Standing Order 38. In addition to that, there is the question of notice and examination. The question of examination is made quite plain in the United Kingdom. There must be an examination, as in the case of a private bill, by the examiner of private bills in that jurisdiction. Are we to have the same result here? What about notice? There will be established by this legislation, if it is passed, a special group of private individuals who will be affected, namely, the shareholders. This limited group of the public will be invited to subscribe for shares. They will have rights over and above those of the ordinary public. True enough, the average person, the ordinary taxpayer, will be affected to the extent to which the government becomes a subscriber for shares, to the extent to which the government through its directors seeks to direct to some extent the policies of this corporation. But there will be established a particular and special group whose interests will be affected if this bill should pass.

• (3:20 p.m.)

Other hon. members will be intervening, and I do not want to take up too much of the time of the House. I would point out to Your Honour, in conclusion, that if what I say has any effect on your views, if you are inclined to hold that this is a hybrid bill, then I suggest that we should give that fact careful consideration. While it is true that we do not have a great many precedents and we do not have anything in our Standing Orders, I would refer Your Honour to our first Standing Order which provides that:

> In all cases not provided for hereafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this House.

I submit that we are in a position where the government—and I do not say this disparagingly—while paying lip service to private enterprise and to the private profit motive, is steadily enlarging the area of socialist activities. I am not going to argue whether or not this is right. I am simply saying it is a matter of fact. All one has to do is to read the legislation. We are going to get an increasing number of these kinds of bills, and I think this House is entitled to know whether they should be brought in as government bills, or as private bills. If they have the characteristics of both, they should receive special treatment. I suggest to you, with due deference to the Minister of Finance, that to bring in a bill of this nature and to expect it to be processed by the ordinary standing orders, rules and precedents of this House of Commons is completely wrong. I ask Your Honour to give due effect to this argument and to what else may be said. If you hold it is a hybrid bill, I ask Your Honour to consider carefully what the consequences will be and what the future carriage of this bill will be in the light of the practices of this House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if in what I have to say I am to a considerable extent on the same side as the hon. member for Peace River (Mr. Baldwin), let me assure the House at the outset that it is not because I see this bill as incipient socialism. As a matter of fact, if the bill were a little more socialistic it would be a lot better. In any case, we are into another of these procedural arguments which fill the galleries and bring the press people back so that it can be reported in full in tomorrow's newspapers. But despite that comment, call it what you will, this is a very important point of order and one that could become more important as time goes on.

May I say that to call a bill a hybrid bill is not to use a nasty word. We do not do that sort of thing in the House, anyway.

Mr. Baldwin: Question.

Mr. Knowles (Winnipeg North Centre): May I also say that it is correct that we do not have in our Standing Orders any rules that deal specifically with hybrid bills. Nevertheless, we do have a citation on this matter in Beauchesne's Fourth Edition, and those citations make it clear that if there is before us what is recognized as a hybrid bill, it should get the treatment that is given to private bills.

Now, Sir, I looked again today at our Standing Orders and I find that there are 26 Standing Orders relating to private bills, Standing Orders 90 to 115, both inclusive. If I wanted to give a digest of those 26 Standing Orders, the House would certainly be empty before I got through it. Nevertheless, because one of the results of the point of order being raised could be, as I think it should be, a decision by Your Honour that this is a hybrid bill and should be treated as such, I think it is important to state as briefly as I can the rationale on the basis of which private bills are given treatment different from that given to public bills. The reason for such different treatment is this.

A private bill is a bill for a single person, a small group of persons or a company, any selected group of individuals who constitute less than the community as a whole. A private bill is one seeking to provide something special, a special privilege or concession for a group of the Canadian population which is less than the country as a whole. Therefore, we have accepted the principle over the years that when a private bill is presented there are two particular things that must be done that are different from what is done in the case of a public bill. In the first place, that private bill must go to a committee before which the promoters of the bill must appear and justify it. The second thing that must be done is that at the hearings of the committee to which the bill is referred the general public, or anybody who is affected by the private bill, must have the right to appear and state a defence against what is proposed. In other words, if a private company is seeking an incorporation to do

business in the insurance field—going back to the days when we did that on the floor of the House instead of by letters patent under the Canada Corporations Act—the people seeking that right have to appear and justify their claim, but anybody else who felt that his rights were being interfered with also had the right to appear and offer his defence.

We still agree that that shall apply in the case of a private company, whether it is insurance, investment, banking, railway, pipe lines, or what have you. I think that rationale makes sense. It is perfectly all right, when there is a bill going through Parliament that is for the general good, that affects everybody, for Parliament to process it by itself, through its committees but without hearing witnesses. But when a special interest is sought, when legislation is desired to set up a special interest, then these two things must happen: the promoter must justify his request, and those who are affected by the possible implementation of that request must have the right to appear and state their defence.

• (3:30 p.m.)

We think, Mr. Speaker, that this is a hybrid bill in the sense that it is more of a private bill than a public bill. It sets up a special interest, a special group of people and it gives them certain special privileges, certain rights to make profits, to do this, that and the other thing in a way that is not available to the entire populace. Therefore, when this special group of people is to be given a special right, the bill takes on the character of a private bill and should be treated in that manner.

It would be difficult to spend much time trying to prove to Your Honour that this is a bill with heavily private connotations without getting into the substance of it, but may I, even under the limitations of a procedural debate, say a few words that border on substance. In the first place, as I understand it, the Board of Directors of the Canada Development Corporation is to constitute from 18 to 21 persons, only four of whom are to be appointed by the government; the rest are to be named at a general meeting of the shareholders.

In the second place, the bill is drawn in such a way to make it clear that in no sense does the Canada Development Corporation come under the control of Parliament. True, the bill could be amended; the objectives could be changed, but so far as the normal operations of the corporation are concerned, that corporation is farther away from us than many of things we have set up. Parliament is to set up this baby and give it free rein. We are to have no more control over it than we would have over Canadian Pacific Investments, or an insurance company, a mutual investment company, or what have you. It is a private corporation that we are establishing.

Third, the bill makes it clear that the corporation is not an agent of Her Majesty and is not a Crown corporation. There is no suggestion in the bill that it is a corporation for the general advantage of Canada. In other words on all counts, Sir, what we are establishing is a private corporation.

[Mr. Knowles (Winnipeg North Centre).]

I do not want to come back too often to the little twitting that my hon. friend from Peace River did about this being a socialist proposition. I have to tell him that he had better read the bill again.

Mr. Baldwin: I said elements of socialism.

Mr. Knowles (Winnipeg North Centre): There is less socialism in this than I have seen in any bill for a long time.

If I may go on with one more point in support of my contention that this bill sets up a private company, I draw attention to the extensive and complicated language of clause 27. This clause contains references to ways in which the Canada Corporations Act shall not apply. Then, this clause gets to the point where it says that in relation to this company the usual references to letters patent in the Canada Corporations Act shall refer to this bill. In other words, Sir, what we would be doing by the passing of this bill is that in effect we would be taking the place of the bureau that grants letters patent to private companies. We are providing the letters patent that would normally be provided to a private corporation. We are doing so by the passing of this bill, and we say so quite clearly in clause 27.

Mr. Lambert (Edmonton West): That is what we did last year.

Mr. Knowles (Winnipeg North Centre): Private companies do not now need to come to Parliament as they did for many years. They go to the appropriate office and get letters patent, but we are giving this corporation a little special treatment. We are giving it the letters patent by the passing of this bill.

Therefore without developing that point any further, Your Honour, I assert that this bill is not a socialist document. It is not even a Walter Gordon document. It is a private outfit, and the passing of this bill establishes special privilege for a limited number of people.

May I also point out that if this bill is passed and this company is set up it will have certain powers that could be used to the disadvantage of other Canadians, indeed I would say to the disadvantage of all Canadians. We have now in existence in this country the Polymer Corporation, Eldorado Nuclear Limited, PanArctic Oils Limited, Northern Transportation Limited, and perhaps one or two other entities of that order, and these entities are either wholly owned by the public or largely owned by the public.

But under this bill the Canada Development Corporation would be given the right to buy these Crown companies, and bring them under what would be partly public and partly private ownership. At the moment they are under public ownership. They belong to us, to the people of Canada, but under this bill they would become largely privately owned.

Now, Sir, at the moment I am trying to stay away from the substance, although it will be obvious from what I have said that I do not approve of this. But I go back to the point I made earlier, about the rationale behind the treatment accorded to private bills, namely, that the

people affected have the right to appear. I now make the point that the people of Canada can be adversely affected by what this company would be able to do, just as much as I could argue, and indeed just as much as we used to argue when we had American owned insurance companies coming here, that the people of Canada could be adversely affected by setting up those particular companies.

I say that because this Canada Development Corporation could carry on business in a way that would be inimical to the best interests of the people of Canada, and the people of Canada should have the right under our private bills orders to appear before a standing or special committee and state their objection to what is proposed in this bill. So I press the point, Mr. Speaker, and I press it upon the House, that although this may be another one of those dull procedural debates, something pretty important is involved here, and that we should not let this sort of thing get out of hand.

I am not suggesting that the government does not have the right to bring in this kind of bill. I am not suggesting that the Parliament of Canada does not have the right to deal with this kind of measure. It frequently deals with measures that I do not like, that I think are offensive to peace, order and good government, and so on, but at least if something like this is being done it should be done according to the well established rules.

Let me run the risk of repeating myself by saying if there are some of our rules that members think are a bit silly and unnecessarily complicated, I do not think that can be said about the special requirements of the rules that apply to private bills. When you have a private bill you are seeking a special or private interest. Therefore you have to do the two things I have identified—you have to hear from the promoter, and you have to give to the people the right to state their defence.

This bill aims to establish a private corporation. Others may develop this more fully, but I point out that in clause 6 of the bill it says that one of its purposes is the making of profit. If profit is to be made it will be at somebody else's expense. So, all told the bill has completely the characteristics of a private bill. As the hon. member for Peace River has pointed out it also has a couple of the characteristics of a public bill, mainly because it is being brought in by a public person, no less than the Minister of Finance (Mr. Benson) himself. But although he may have done enough to bring it under the wire as a public bill I submit that because its effect is so largely that which is achieved by a private bill, it should be given the private bill treatment which is supposed to be given to hybrid bills.

• (3:40 p.m.)

I said earlier that though we have lots of Standing Orders concerning public bills and 26 of them concerning private bills we do not have any governing hybrid bills. But we do have Beauchesne. In citation 376 of the fourth edition we find this:

> Bills are of three kinds, public bills, private bills and bills of a mixed character styled hybrid bills which, though of a public character, affect private rights, and in their passage through Parliament these are subjected to a special procedure.

That is what we are asking for. We are not saying the government cannot go ahead with this bill if it wants to do so but we are saying that because it is a hybrid bill it should be treated in accordance with a special procedure.

The citation continues:

> If the House finds that private rights may be affected—

And they certainly would be by this bill.

> —an order is made referring the bill to the Examiners of Petitions for Private Bills who may report that Standing Orders relating to private bills are applicable.

We believe this is what should be done. This bill should be referred to the examiners of petitions for private bills. Let them reach a decision whether the Standing Orders relating to private bills should apply in this case. Beauchesne continues:

> The report should then be referred to the Standing Committee on Standing Orders—

Since this volume was produced we have altered our rules. We no longer have a committee which deals exclusively with Standing Orders. However, we have kept this function alive, and Standing Order 65 which deals with the setting up of the Standing Committees lists:

> (o) miscellaneous Private Bills and Standing Orders

In other words we have kept the Standing Orders Committee alive. I go on:

> The report should then be referred to the Standing Committee on Standing Orders which is empowered to report to the House whether such standing orders ought or ought not to be dispensed with. These two reports must be received before the second reading of the bill can be proceeded with.

So the hon. member for Peace River (Mr. Baldwin) was quite right to enter his caveat the other day and raise his point of order today before the motion for second reading was put. To continue the quotation:

> Should the Examiners report that none of the Standing Orders relating to private bills are applicable, the bill proceeds on his course as an ordinary public bill. Should the Committee on Standing Orders report that Standing Orders relative to private bills are applicable, have not been complied with, and ought not to be dispensed with, the order of the day for the second reading is read and discharged, after which the bill may be withdrawn.
>
> The proceedings in a committee on a hybrid bill are conducted in the same manner as in a committee on a private bill.

In other words, even though we do not have Standing Orders under a heading "Hybrid Bills" we do have a direction as to how to deal with hybrid bills, namely, they should be given private bill treatment.

It strikes me it is not for us to come to a conclusion about this question on the floor of the House. Indeed, it strikes me it is not even Your Honour's responsibility to make a decision as to whether or not this bill is a hybrid bill. But it does seem to me that in view of the serious doubt which exists as to whether it can be classed as a public bill Your Honour should rule that before it is proceeded with on second reading it should be referred to the examiners of petitions for private bills.

I say to you, Sir, that this is one course that could be followed. I believe Your Honour will agree with me that up to this point I have confined my comments to the pro-

cedural aspects. But in our view there is another course which might be taken. That would be for the government to withdraw this private corporation legislation and bring in a Canada development corporation bill which would really be public and which would really protect the public interest instead of the kind of legislation which is now before us.

So I have made two proposals. One is for Your Honour to decide and the other is for the government. I guess I have more faith in Your Honour than I have in the government. At any rate these are the courses which we believe to be open. One is for the government to withdraw this bill and bring in a proper one which would really protect the public interest. But if the government declines to do so, then I urge Your Honour to recognize the force of the argument we have advanced thus far in the debate on procedure and agree that the bill before us is a bill which is more private than public and that it should therefore receive the special treatment set out in the case of private bills. This would involve, first of all, a reference to the examiners of petitions for private bills. If they were to decide that this was a hybrid bill, it would then be referred to the Committee on Miscellaneous Private Bills and Standing Orders. The next stage would depend upon what that committee reported. At any rate I do not think it is proper for the House to continue to discuss the order before us at all until this issue has been resolved, and I hope Your Honour will so rule.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, we have just heard two masterly speeches on procedure and not being an expert in this field, I do not intend to try to influence your decision on the way Bill C-219 should be considered. Besides, I believe we will hear at least one more expert. For this reason, I shall not be long because I merely want to say that in my opinion the bill shows a strong socialist tendency.

No matter how the legislation is introduced, whether it is called a public bill, a private bill or a hybrid bill, the government will do all it can to have it adopted. As far as I am concerned, and I think it is the feeling of all my colleagues of the Ralliement créditiste, I shall rely entirely on your decision.

No matter how this bill is introduced, we shall object to it, because its purpose is to create a corporation to maintain Canadian ownership of our industries. We are convinced that there are other ways to protect our Canadian companies and to guide production in Canada.

This, I think, is not the role of the government. This is why we shall object to this bill, no matter how it is introduced.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to deal with one particular aspect of the argument which should be placed before Your Honour in connection with the presentation of this bill. It is not my intention to comment, except incidentally, on the contents of the measure; I am concerned rather with the method used in presenting this legislation.

[Mr. Knowles (Winnipeg North Centre).]

As Your Honour is aware, I have on previous occasions objected to the manner in which legislation has been brought forward—the nature of the recommendations, for example. These are matters which need to be watched carefully because it is not beyond the capacity of the government to err with respect to them. I would suggest to Your Honour respectfully that the government has erred this afternoon, as it did the other day, in presenting this bill in such a manner. Not only the government, but the House itself, is faced with a problem. Some people may say, "All right, let us get on; the objectives here are good." I put it to Your Honour that the ends do not justify the means, and if there is a way of doing things correctly, they ought to be done correctly.

• (3:50 p.m.)

As was properly pointed out by the hon. member for Peace River (Mr. Baldwin) and, I believe, by the hon. member for Winnipeg North Centre (Mr. Knowles), we are now charting a course on previously unchartered seas. It is conceivable that in the years to come legislation of a general pattern similar to this will be brought forward by whatever administration has power then, and it would be extremely wrong if we were to chart the course in a wrong direction. I, therefore, wish to suggest to you, Mr. Speaker, that this bill, in its composition, is very definitely a hybrid bill. Although our rules make no provision directly for dealing with hybrid bills, we still, under our Standing Order, have clause 1. That is in force just as is any other rule and, therefore, I would suggest to Your Honour the way that this perhaps should be considered.

Since the hon. member for Winnipeg North Centre has referred to some of the detail I wished to refer to Your Honour, I hope to be able to shorten my argument and not repeat what the hon. member said. There is no doubt that Bill C-219 has the criteria of a public bill. Part II of the bill is entitled, "Federal Government Participation". If we refer to clauses 35, 37, 39 and 40 we shall see that each of them entitles the Minister of Finance (Mr. Benson) to do certain things; they empower the minister to lend public moneys to the corporation. Clause 39 provides that certain public companies that own public property may be sold by the government to that particular corporation. Another clause provides that the government may appoint a number of directors instead of exercising share voting rights. Clause 42 provides that the Minister of Finance may use public money from the consolidated revenue fund to buy shares of or make loans to the company. I would say that this is a sufficient indication of the public interest in the bill and the consequent measure of public policy involved.

Also, Mr. Speaker, the bill was introduced by a minister. It did not come in by way of a petition, and therefore it has that aspect of a public bill. There was a recommendation; but that, too, is one of the attributes of a public bill. I put it to Your Honour that the entire bill, other than two very temporary and transitory features affecting the government, is of a private nature. Part I of the bill is strictly a corporate incorporation bill, and the

schedule thereto lays down some of what we could call the bylaws. It is also interesting to note what is Part I.

Mr. Knowles (Winnipeg North Centre): The bill is letters patent.

Mr. Lambert (Edmonton West): As the hon. member for Winnipeg North Centre says, it is, in effect, letters patent. Last year, when the Canada Corporations Act was amended, certain provisions were left in the act whereby certain types of companies would need to come to the House for incorporation. Certain types of operations still cannot obtain letters patent from the registrar of Canadian corporations.

The second part of the hybrid bill test is whether Bill C-219 affects private interests in such a way that, if it were a private bill, it would, under our Standing Orders relating to private business, require notice to be given or served inasmuch as private interests, as a class in small or great degree, may be benefited or adversely affected. I have said that if Part II were deleted from the bill, and this could happen in its progress through the House, the result would be the creation of a private corporation that could survive as an entity without further action. The only public interest would be the transitional one, the right of the government under clause 4 to appoint provisional directors only, and to designate, under clause 10, the original head office. Yet, it is interesting to note that there is no reference whatsoever to the government of Canada. What is all the more convincing, Mr. Speaker, is that clause 31 in Part II reads:

> The company is not an agent of Her Majesty or a Crown corporation within the meaning of the *Financial Administration Act*.

Therefore, this clause definitely removes the company from an area in which there would be a public interest. It is not a Crown corporation, and it is not an agency under the Financial Administration Act. Thus, the private business Standing Orders of this House are not precluded from applying to this corporation on any principle that this bill is for the incorporation of a Crown company. It is not a Crown company. Since the proposed company is not a public corporation, it must be a private corporation owned by private interests. There is provision, of course, that the public in the right of Canada and the public in the right of provinces can own shares; but this provision is neither mandatory nor exclusive. One has only to examine the bill to see that this is so. There is not one word in the bill to the effect that the Crown in the right of Canada must own at least one share—not one. It may have holdings in excess of 10 per cent. It "may," I said.

Mr. Knowles (Winnipeg North Centre): It does not have to.

Mr. Lambert (Edmonton West): I defy anybody on the government side to indicate one word which indicates that one share or more of the corporation must be owned by the Crown in the right of Canada. There is nothing that says so. Nor is there anything in the act which excludes private ownership in whole or in part, and therefore the public nature of the bill almost disappears.

Clause 6(1) provides that the objects of this private corporation shall be carried out in anticipation of profits and in the best interests of the shareholders as a whole. I have indicated to you, Mr. Speaker, and to the House that such shareholders may be exclusively private persons. It is interesting to note that, although this private corporation has powers sufficiently flexible under clause 6(1) to acquire, develop and operate local works wholly situated within a province, the bill contains no clause which specifically provides that such works are to be for the general advantage of Canada or for the advantage of two or more provinces.

I would, however, refer Your Honour to clause 7, where the bill speaks of a charter. This is the charter that we are being asked to pass upon. I would further direct Your Honour's attention to that part of the bill dealing with the personal liability of directors. For the moment, I cannot find the clause number but there is personal liability for directors. Therefore, we are right into the area of company incorporation by private charter.

• (4:00 p.m.)

Just making these references, Mr. Speaker, outlines, part of what we consider to be the criteria of a private bill. As well as asking for the incorporation of a company for the benefit of a class of private citizens, because the public shareholders, if any, can only appear subsequent to the incorporation, the bill asks for preferred treatment under section 33 of the Income Tax Act, for preferred exemption, from certain provisions of the Corporations Act, and for preferred exemption from the insolvency and winding-up laws.

In addition, this corporation and the private shareholders of this corporation will enjoy a most special privilege not enjoyed by all those persons who will not be shareholders and not enjoyed by any other corporation, federal or provincial, Canadian or foreign. It will only be this corporation and its shareholders that will have the opportunity to buy Polymer Corporation Limited, Eldorado Nuclear Limited, Northern Transportation Company Limited, possibly Northern Canada Power Commission as well as the public percentage of Panarctic Oils Ltd., and some others. These are to be sold by the government of Canada to the corporation and no other.

Conversely, this private corporation will, if the government exercises its discretionary power to sell, have a monopoly option to buy these publicly-owned corporations and properties. I emphasize the word "monopoly", Mr. Speaker, because words "fair and reasonable price", as used in clause 39, presumes in the everyday language of commerce and law, the existence of an alternative buyer in a free and open market. To reiterate, Mr. Speaker, a monopoly is a special interest which is the exclusive property of a specific entity, whether that entity is a class of persons or a corporation. On the basis of this, there is no doubt that this is a hybrid bill. I could perhaps advance further arguments, but I think this is sufficient.

To recap, and to refer to what the hon. member for Peace River indicated, this is the first time we have been faced with a bill of this kind. It becomes even more important that the appropriate procedure be followed. I do not know whether it is for Your Honour to decide if the bill should be hybrid and what steps should be taken, or whether it should be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders. This committee has been undistinguished by its activities over the past couple of years. I do not think that it has had to do very much. I suggest to Your Honour that this is one time when we can say halt. It is not that I object to the consideration of Bill C-219 on the basis of its substance. In good time, we will have some observations to make about it. At this point, I suggest the government should stand the second reading today, Your Honour should consider your decision and that we should move on to another item of business.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I think I can reduce the length of my remarks in light of the contribution made to this debate by the hon. member for Edmonton West (Mr. Lambert). In any event, it is with some trepidation that I rise to offer my advice to your Honour, as I have not been here very long and hitherto my interest in procedure has been largely academic. As the hon. member for Edmonton West indicated, this is the first time a bill of this nature has come before this House. In consequence, the means selected to process it will likely have a profound effect upon the kind of legislation which this House is likely to be dealing with in the future.

As others have said, the point upon which Your Honour must in fact decide is whether Bill C-219 is a hybrid bill, that is, is it one which incorporates the elements of both a public bill and a private bill. Having decided that, it will be necessary to determine the procedure which must be followed by this House in dealing with it. It is our contention that although this bill contains sufficient elements of a public nature to persuade the government it should be introduced by a cabinet minister, it is essentially a private bill establishing a private corporation which will combine some of the characteristics of a private mutual fund and those of Argus Corporation or Molson Enterprises and which will be not more subject to governmental control, or more accurately, only marginally more subject, than are those organizations. Therefore, we argue that there are two options open to this House.

The first is that the bill ultimately be treated as a private bill, thereby enabling those who feel they would be adversely affected by the establishment of the corporation to make representations to a committee of this House. In our opinion, such persons would include the public of Canada who may, under the provisions of the bill, lose their interests in the Crown corporations Polymer, Eldorado Mining, Northern Transportation and also in the Northern Light and Power Commission and Panarctic Oil. The second option, which we prefer, is that the bill be withdrawn and rewritten, so that the corporation unmistakably becomes an instrument of government or public policy.

Obviously, Mr. Speaker, the key to Your Honour's decision is whether this bill can be considered an instrument of public policy. In other to be so considered, the bill must obviously apply to the people of Canada equally and generally, rather than act for the special advantage of a few. In this regard, I wish to submit several points for Your Honour's consideration. In so doing, I may come dangerously close to making substantial arguments, but I hope Your Honour will agree that such an approach is genuinely unavoidable.

The first point I ask Your Honour to consider is that the corporation to be created by this bill has not even been declared to be a work for the general advantage of Canada. The second point is, it is obvious from reading the bill and by virtue of unequivocal statements of its sponsor, the Minister of Finance (Mr. Benson), that the corporation is purely and simply a profit making venture. Here, I refer to the remarks of the hon. member for Edmonton West. Its objectives could be achieved equally well, perhaps better, by making the same funds available to an organization such as Argus Corporation. The minister can argue that shares will be offered to the Canadian public, but it is a demonstrable fact that only seven per cent of Canadians involved themselves in such speculation. Its provisions, therefore, do not de facto apply equally and generally.

Moreover, and this is my third point, the bill makes possible the sale to the corporation which it creates several crown corporations whose profits have hitherto gone into general revenues to be applied to the general advantage of all Canadians. This bill will permit those profits to be distributed exclusively among that small group of Canadians who are in a position to purchase shares of the proposed Canada Development Corporation.

Fourth, the bill cannot be considered to be an instrument of public policy because the public will have absolutely no control over the method of operation of the corporation once it is established except that any change in its objectives must be referred to Parliament. I suggest that the objectives set out in the bill are so general in nature as to authorize virtually anything so that a reference would hardly be necessary. I say that the public, through its elected representatives, will have no control because, as other hon. members have pointed out, first, the corporation is specifically stated not to be an agency of Her Majesty. Second, as a result of existing legislation, Parliament is specifically excluded from the surveillance of the corporation's activities. Third, not more than four of its directors can be appointed by the government of Canada, whether the board consists of 18 directors or 21. Thus, the government is in a distinct minority position. Even then the government can appoint its four directors if, and only if, it surrenders the right to exercise its voting shares in the election of officers. I refer here specifically to clause 40, subclause (1). My fourth point is that clause 42, subclause (3) of the bill would seem to indicate that the Crown's portion of the voting shares may be allowed to drop below 10 per cent of the total,

thus even further weakening its ability to ensure that the corporation operates in the public interest.

• (4:10 p.m.)

Taken together, the four points that I have drawn to Your Honour's attention demonstrate that the corporation would be no more subject to public control than is Canadian Pacific Investments, and thus can hardly be considered to be any more an instrument of public policy than Canadian Pacific Investments. Moreover, I would argue that my earlier suggestions provide at least a strong indication that the corporation will not operate in a manner generally and equally applicable to the Canadian people. Indeed, it will operate in the interests of a special few, and hence cannot be considered, on this ground alone, to be an instrument of public policy.

Therefore, we suggest to Your Honour that it would be consistent with the facts to rule that this bill must be treated as a hybrid bill. If such is your ruling, we would further suggest to the government that it withdraw the bill and resubmit it in a form which would make it unmistakeably an instrument of public policy.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I realize that in the course of the commentaries on the procedural point there have been a number of policy observations made about the bill itself, whether it contained too little socialism or too much socialism. These are interesting points for debate at a later stage, but at the moment the point of order has been raised that this is a hybrid bill and, accordingly, ought to be dealt with in a different way from a normal public bill. Indeed, at one point I believe the hon. member for Selkirk (Mr. Rowland) argued that it was exclusively a private bill; and the hon. member for Winnipeg North Centre (Mr. Knowles) came dangerously close to taking that position.

Mr. Knowles (Winnipeg North Centre): It was close but not dangerous.

Mr. MacEachen: I realize that, to some extent, we are dealing with a point of order that is not generally raised and for which there are not all that many precedents. I noticed that while hon. members opposite were addressing themselves to a bill to establish a corporation to help develop and maintain strong Canadian control over corporations in the private sector, none of them found it possible to put forward any Canadian precedent to support the arguments they were making.

There are one or two precedents that may be of some help in determining what the attitude of this House has been to this particular problem. I have no objection to the definition of a hybrid bill. Beauchesne deals with the matter initially in two citations, 376 and 377. In the first citation Beauchesne states:

> Bills are of three kinds, Public Bills, Private Bills and Bills of a mixed character styled "Hybrid Bills" which, though of a public character, affect private rights; and in their passage through Parliament are subjected to a special procedure.

I emphasize and draw particular attention to the phrase "private rights" because under Beauchesne's definition a bill which is of a mixed character must affect private rights. Accordingly, it seems to me that it is a pivotal question to ask: In what way does this bill affect present and previously existing private rights? I will return to that in a moment. I accept the definition and I move on to the procedure that has been outlined for examining hybrid or private bills. I accept the outline given of the procedure and the argument that, if a bill is private or hybrid, a different procedure is laid down. But I do ask the question, which has not been fully dealt with: Why is it that a special procedure has been laid down for examining a private bill; why has the House decided to establish a special procedure?

I suggest the reason is that the House wants to satisfy itself about the extent to which previously existing private rights, or indeed private rights to be established, are to be affected by the bill; that the House would have no other way of satisfying itself on that point except by permitting persons to come forward and explain to a committee what rights they sought for themselves. Not for the body politic or for the public at large, but rights they sought for themselves as persons or corporations.

Mr. Baldwin: Would the minister permit a question at this point?

Mr. MacEachen: I will when I am finished. I think we can throw some light on the question by asking ourselves why there has been a special procedure laid down for the examination of private bills. My submission is it is because private rights and private interests are affected or sought, and because the House must have a way to examine them. I go on to say that this is really the key to the solution, or to opening the door to the solution, of the procedural issue that has been raised.

The hon. member for Winnipeg North Centre said that the bill affects private individuals, and a special group of individuals—presumably the potential shareholders in the Canada Development Corporation. But surely this is no argument for suggesting that special rights are being affected in this bill any more than special rights were affected in the passage of the amendments to the Old Age Security Act before Christmas when a special benefit was conferred on one particular group in the community, namely those who had reached a certain age. Of course, a bill can affect individuals in the community at large. But the question is: What special rights are affected, and in what way?

Erskine May's seventeenth edition deals with the distinction between public and private bills on pages 871-873. It quotes Mr. Speaker Hylton-Foster's view as to what is a hybrid bill, as follows:

> I think that a hybrid bill can be defined as a public bill which affects a particular interest in a manner different from the private interests of other persons or bodies of the same category or class.

• (4:20 p.m.)

I argue from that that it must not only affect the private rights and particular interests of individuals, but particular interests of individuals differently from the interests of other individuals in the same category.

Erskine May goes on in his recital to examine cases in the British House. However, I should like to state that because this is a Canada development bill we should look also at precedents made in Canada that might assist us in establishing this point of order, rather than taking refuge in the procedures of other countries, however respectful we are of their traditions.

Beauchesne cites one case of a hybrid bill, the entry in the *Journal* of the House for March 12, 1875. I refer to a motion of the Hon. Alexander Mackenzie, seconded by Mr. Fournier. I will not read all the details except to say that the purpose of the motion was to bring in a bill to rearrange the capital of the Northern Railway of Canada, to change the gauge of its railway and to amalgamate with the Northern Extension Railways Company. For that reason, the point of order in this case was raised by the hon. Edward Blake, as reported in the House of Commons Debates of March 12, 1875, at page 662.

He argued that the essential elements in the bill were related to the reorganization of the company and affected the private rights of private shareholders including the city of Toronto and the county of Simcoe. In other words, he raised the point of order that this public bill had a direct affect on the shareholders of the company, rights which they had acquired and which would be changed. On that ground the Speaker ruled that, indeed, this had the aspects of a hybrid bill because previously existing private rights and particular interests were affected.

There is nothing in this bill which will affect private rights of individual interests of any person, corporation, or groups of persons. If the bill passes there will be an opportunity for Canadian citizens to acquire shares in the Canada Development Corporation at a later date.

The hon. member for Peace River (Mr. Baldwin) made a very interesting comment when he quoted citation 482 of Beauchesne's. I asked myself how we could place this argument or citation in context with the argument I am making. He did read from Beauchesne's citation 482 as follows:—

> There is, however, a distinction between the second reading of a public and of a private Bill, which should not be overlooked. A public Bill being founded on reasons of state policy, the House, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private Bill, being mainly founded upon allegations of fact, which have not yet been proved, the House, in agreeing to its second reading, affirms the principle of the Bill, conditionally, and subject to the proof of such allegations before the committee.

Why is that so? I argue procedurally that that is the special examination provided to determine the nature of the special interests or the special rights; that is the special private rights as stated by Beauchesne, or the particular interests or private interests as mentioned by Mr. Speaker Hylton-Foster as quoted in Erskine May's. That is why there is that different treatment, under that special kind of situation.

I turn just for a moment to the Standing Orders which seem to support this view. When we are talking about private interests or private rights we are not talking about something general or vague, or something affecting the body politic as a whole. We are talking about concrete, definite and identifiable rights. That is why on page 103 of the Standing Orders in reference to application for private bills it is suggested:

> When the application is for the purpose of obtaining for any person or existing corporation any exclusive rights or privileges or the power to do any matter or thing which in its operation would affect the rights or property of others: in the particular locality or localities in which the business, rights or property of others may be specially affected by the proposed Act.

This would suggest that there is a link between what Beauchesne, Mr. Speaker Hylton-Foster and the Standing Orders say, that these are rights which must be identified and related one to another, and are private rights.

Because it has been stated that this is something new we are trying, I mention another case which raises a situation similar to the one we have today. Bill 19 of the Fifth Session of the Seventeenth Parliament probably presents the closest parallel, and certainly a useful precedent on this question. This bill, which became Chapter 43 of the Statutes of Canada for 1934, was based upon a resolution to be found in the House of Commons *Journals*, page 35, February 2, 1934. It goes on to quote the resolution preceding the measure to incorporate a central bank in Canada and to provide for the appointment and salaries of the officers and staff of the bank and the appointment and fees of the directors, and to make such further provisions in respect of the functions, powers and administration as recommended by the Royal Commission on Banking and Currency.

This Act established the Bank of Canada, not as we know it today as a government-owned institution, but as a privately held company. In fact, three amendments to provide for government ownership were ruled out of order. Nobody suggested at that time that this was a hybrid bill or that it, in fact, related to private rights, even though the Bank of Canada was to be privately held.

It is true the Act involved government participation in the operations of the bank at several levels, including the naming of interim directors and the sale and holding of shares. Indeed, as you read both you cannot establish an exact parallel but you can certainly find enough support to our view that we are on solid Canadian procedural ground in proposing the Canada Development Corporation bill in this form.

I will come to a conclusion very quickly, Mr. Speaker. I say that my submission is that the purpose of the special procedure on private bills is to ensure that the rights of persons or bodies are not unjustly made greater or smaller than the rights of persons or bodies in similar categories or circumstances. The special procedures for private bills was developed so that Parliament could assure that no existing individual or corporate rights would be unjustly abridged if a measure were proceeded with.

I would also argue that it would apply to a special right being sought by an individual or by a corporation. In this bill we are giving effect, not to a private group of individuals' wishes, but to government policy. This is an instrument of economic policy designed to bring greater opportunities to individuals to invest and participate in the future development of Canada. That is the broad objective. No particular interest is being affected. No

private right is being taken away. It is up to Your Honour now to judge, but unless somebody can throw more light on the subject, in the face of my examination I cannot see how it could be concluded that there is a private aspect unless we were to change very greatly the procedures we have developed up to the present in the House of Commons.

• (4:30 p.m.)

I realize the precedents are skimpy, but there must be some special reason for having special procedures for private bills. I suggest the special reason for the special procedure is that previously existing or established special rights affecting special groups or special persons are involved, and the House must examine these in a particular way. That is why we have special procedures. If it should be decided that this is a hybrid bill, what would the Examiner of Petitions or the standing committee do with it? Who would appear? The hon. member for Winnipeg North Centre (Mr. Knowles) said all the people of Canada in a special assembly. This is the reductio ad absurdum of the day. I think it explodes his argument because who would come to the committee to protect the public interest but the elected representatives, because this is a matter of public policy and affects the body politic as a whole.

Mr. Speaker: Order, please. I believe the hon. member for Peace River (Mr. Baldwin) seeks the floor for the purpose of asking a question.

Mr. Baldwin: Yes, Mr. Speaker. At the end of his statement the minister made a valid observation which worried me originally, until I saw the light. Perhaps, I might ask the minister a question. The minister talks about what rights may be affected. In the light of the fact that the Standing Orders mainly deal with private bills introduced on behalf of companies to be incorporated under the provisions of these rules, and in the light of the fact that hundreds of corporations have been affected by the provisions of these orders,—corporations which had no previous rights or existence before that—how does the minister reconcile his remarks about no private rights being affected with the fact that private corporations have been incorporated under private bills for decades with certain rights affecting certain individuals. That is the point I make and it is a case the minister has not met. That is why I ask the question.

Mr. MacEachen: I do not know whether I can give a very adequate answer. But when a private corporation petitions the House of Commons, presumably the petition is to create future special rights and special advantages that would accrue to that corporation itself.

Mr. Baldwin: As this bill does.

Mr. MacEachen: Who is petitioning here? This is one of the points raised in Erskine May's. How could the Crown petition the Crown? His Excellency really is recommending to the House of Commons on behalf of the Crown this measure, not a measure to create a private interest for the benefit of individuals or a special group or special corporation but is recommending to the House of Commons a measure which in the expectation of the government would have the effect of increasing the strength of the Canadianism of our economy.

Mr. Lambert (Edmonton West): That is wrong.

Mr. MacEachen: The hon. member may say we are not taking the right steps, as has been stated. But that is what the House is being asked to judge. It is not the creation of a special interest or privilege for anybody.

Mr. Knowles (Winnipeg North Centre): That is precisely what it is doing.

Mr. MacEachen: It is not. I suggest to my hon. friend that anybody can buy shares and we pass laws all the time affecting such groups.

Mr. Baldwin: Who else has the right to buy these four government companies?

Mr. Speaker: May I suggest to the President of the Privy Council (Mr. MacEachen), and to hon. members, that we appear to be getting involved in the substance of the matter. I do not think this is what we should do at the stage of the proceedings. We should limit ourselves as much as possible to the procedural aspect of the matter. I believe the hon. member for Waterloo (Mr. Saltsman) has a contribution to make to this debate, and we will hear him with pleasure.

Mr. Max Saltsman (Waterloo): Mr. Speaker, after listening to the President of the Privy Council (Mr. MacEachen), it would seem to me that he has hinged his entire argument on the question of private rights. If his case is to stand at all, he must make a case that private rights are not affected. I think he asked a rhetorical question which in a way deals with the matter of private rights, to which I want to refer. He asked who would come before the committee. I should like to suggest to you, Mr. Speaker, that the poor of Canada would come before the committee because the condition of all people is not alike.

Mr. Speaker: Order, please. I do not propose to interrupt the hon. member but I would bring to his attention that his argument comes very close to being a debate on the substance of the bill which is now before the House. I feel that the type of argument advanced by the hon. member, and perhaps to some extent on this particular point by the President of the Privy Council, is close to a substantive debate. I would invite the hon. member to limit his contribution as much as possible to the procedural aspect of the matter.

Mr. Saltsman: Thank you, Mr. Speaker. I was coming to the procedural point. In order to say that no private rights are affected, I believe one would have to look at the Canadian population and assume that the same conditions exist for all. When you take property, which is now public property, and transfer it or indicate your intention to transfer it to a private corporation in which the general public can buy shares, that is well and good provided every member of the general public is in a position to buy shares in that corporation. This seems to

be the assumption the President of the Privy Council is making; that is, that no private rights are being lost because everyone can invest in the Canada Development Corporation. This is a pretty difficult argument to sustain when we look at the disparity which exists in this country, and the figures which indicate that 20 per cent or 25 per cent of the population is below the poverty line. We must ask the question whether all people will be able to share equally in the new opportunity that is being created. All persons in Canada whether rich or poor at the moment participate in and benefit from the Crown corporations which exist because they are all shareholders in those Crown Corporations.

If those Crown corporations were transferred to what looks like a private corporation to which a person would have to pay $5 in order to be an investor, then the poor of Canada would be deprived of the opportunity to make an investment. They would constitute a special group whose rights were being taken away. The rights which they now possess by being able to participate in Crown corporations would be taken away from them if those Crown corporations were transferred to a private corporation. This is the only argument I want to make.

• (4:40 p.m.)

The example the minister gave about the Bank of Canada is hardly applicable in this particular case. I am trying to recall whether, previous to the introduction of the bill which provided for the establishment of the Bank of Canada there were different Crown corporations whose assets were transferred to a private corporation. Now, it strikes me that this was not the case. The bank was a completely new creation, and therefore the comparison between what we are talking about today and some of the things the minister dragged out is really not applicable.

Mr. Speaker: If there are no further contributions to this most interesting and important debate, perhaps the House would allow the Chair to express some views about the matter.

The hon. member for Peace River (Mr. Baldwin) indicated some time ago that he proposed to object to the bill from a procedural standpoint before second reading and in this way the House, the Speaker and all hon. members were put on notice that this very interesting point would be raised today. The hon. member for Edmonton West (Mr. Lambert) indicated, in an informal way, that he proposed to object to the form in which the bill was being submittd to the House for consideration. I make reference to this background to indicate that I have tried to do my homework, as hon. members would expect the Speaker to do, and to give serious thought to the difficulty, to study precedents, to look at our rules as closely as possible, and perhaps be more informed on this as well as on the arguments submitted by hon. members in the course of the debate.

There is no doubt whatsoever that this has been a most informative debate from a procedural standpoint, but the objections advanced by hon. members who have taken part in the debate—and I will refer to no one in particular because the contributions were all constructive, I think—are not ones to which the Chair at this time should give effect.

If hon. members will bear with me for just a few moments I will go over what I consider to be essential about the definitions of private bills and public bills and also so-called hybrid bills. As hon. members know, a public bill is one intended for the general or public benefit. It relates to matters of public policy and is introduced directly by members of the House. On the other hand, a private bill is one involving not general or public benefit but the particular and private rights or interests of a person or body of persons and where what is being sought cannot be obtained by means of a general law. Bourinot defines a private bill in this way as recorded at page 558:

> Private bills are distinguished from public bills in that they directly relate to the affairs of private persons or of corporate bodies, and not to matters of general public policy or to the community at large.

My understanding of the private bill procedure is that it was established to protect the public against the uncontrolled granting of special powers to private interests. I believe that there is no quarrel about this interpretation.

What has been described as a third category of bills, that is hybrid bills, does not, in fact, exist in our Canadian parliamentary practice. Citations 376, 377 and 460 of Beauchesne's Fourth Edition refer to hybrid bills. It is suggested that these citations relate to British practice only. This is pointed out by the fact that the citations come from May's "Parliamentary Practice", and the British practice, as hon. members themselves have pointed out, relating to hybrid bills is spelled out in the standing orders of the British house, contrary to the citations in our own House where no provision whatsoever is made for the consideration of what in the British parliament is called a hybrid bill. In other words, we have, according to our Standing Orders and our long established practice, just two kinds of bills—private bills and public bills. In Britain, in accordance with their standing orders and practice, there are three kinds of bills.

What is being proposed by hon. members is that when we stumble upon a kind of bill which, by coincidence, might correspond with that which the British call a hybrid bill, we should apply the British practice to our House. In support of this imaginative suggestion, hon. members referred to Standing Order 1 of our House of Commons which suggests that when there is no existing practice in the Canadian parliamentary history to cover a certain situation, we should apply procedures followed by the British house.

I suggest this may well be so when there is no practice, but in Canada there is a practice which is that there are only two kinds of bills, private bills and public bills. Hon. members may want to call the bills different names. I have heard different names applied to different bills. They may want to call a bill a hybrid bill. But the fact that it may correspond to what is a hybrid bill in another house, particularly in the British house, does not mean it should be treated in that way in our own Parliament. I repeat that in the Canadian practice bills are divided into

private bills and public bills, and until now in any event, there has been no instance where a bill has been clearly classified as a hybrid bill and given special consideration which would be akin or related in some way to the practice adopted in the British house in relation to such hybrid bills. The question, therefore is whether the proposed legislation should be classified as a private or a public bill and considered by the House according to the relevant procedures specified in the standing orders.

The hon. member for Peace River in the course of his argument referred to a citation in Bourinot's second edition which dates back to the year 1883, that is the Toronto Esplanade and Harbour bill. I suggest to the hon. member that this is not a very strong precedent in support of his case. I looked quickly at the bill while the argument was waxing a moment ago, and my conclusion about this particular precedent is as follows. First, this was introduced as a public bill. It was considered by the House, given first and second reading as a public bill, and then referred to the railway committee. What happened in the railway committee is not clear because, as I am informed, the records in this respect are not complete. The bill was reported from the committee to the effect that the preamble was not proven, which is a procedure ordinarily adopted in relation to private bills. To some extent this is significant, and it is to that extent that the argument of the hon. member for Peace River is valid. But I suggest to him that the precedent is not entirely helpful, since our records are not complete.

The same edition of Bourinot's goes on at the following page to refer to a second precedent where a different course was adopted. This other precedent goes back even farther, that is to the year 1875 when the then prime minister moved for leave to introduce a public bill relating to the Northern Railway of Canada. Eventually, a ruling was made that the proposed legislation was both private and public in nature, and subsequently separate bills were passed by the House, one public and one private. This of course is a very interesting precedent. The explanation which I gathered from reading this precedent is that the essential reason why part of the bill was required by the Chair to be introduced as a private bill was that it purported to amend the original act, which itself was considered and passed as a private bill even before Confederation.

The suggestion was made by some hon. members that there are no precedents at all and that this is an entirely new situation. I agree with the suggestion to some extent, but to a limited extent only. There are a number of precedents where there has been an admixture of private bill and public bill considerations. The President of the Privy Council (Mr. MacEachen), has referred to one of these precedents, which is the Bank of Canada Act of 1934. In that instance, I am informed, the bill was a public bill preceded by a resolution. In that instance, the act provided for public offerings of its shares and at the same time included provision for the government to participate.

• (4:50 p.m.)

Another precedent, which to some extent comes close to the bill which is now before the House, is the Trans-Canada Air Lines Act, found in the Statutes of Canada, 1937, chapter 43. The *Journals* indicate that the company was established by a public bill preceded by a resolution, and included even the designation by name of the incorporators, normally a feature of a private bill. Yet in the course of consideration by the House and later until its eventual adoption, the measure was considered and treated by the Canadian Parliament as a public bill.

It has been suggested to me that there may be also be an analogy with the Telesat Act of 1968-69. I am not sure about this precedent, and I do not think it should be pressed although this bill was introduced and treated as a public bill. In any event, I suggest to hon. members that in order that a bill be designated as private it should not and cannot include any feature of public policy because such characterization will transcend any private nature it may have.

There appear to be well established principles in determining that a private bill should not be allowed to proceed as such but should be introduced as a public bill. They are described as follows:

1. Where public policy is affected.

2. Where the bill proposes to amend or repeal public acts.

3. Because of the magnitude of the area and the multiplicity of the interests involved.

4. The fact that the bill, though partly of a private nature, has as its main object a public matter.

These principles are outlined at page 873 of May's seventeeth edition.

It may be that hon. members may suggest that none of these criteria apply in this particular case, but to discuss this aspect of the matter I suggest we would have to go into the consideration of the essence of the bill, and to some extent this is what we have been doing in considering the procedural aspects of the matter. But if one applies the principles to which I have referred to Bill C-219, particularly to clause 6 of the bill which sets out the objects of the proposed legislation, I think it is clear that whatever may be said of its private nature respecting incorporation of a company with public participation, this bill would appear to be a declaration of public policy, and would meet some of the other tests provided by the learned author. Again, I refer hon. members to clause 6 of the bill.

I was about to go into other clauses of the bill, but perhaps I should stay away from that, because, I might give the appearance of delving too closely into the details of the bill, and I think all hon. members have tried to stay away from discussing the details of the bill or going into its different clauses. I think I will limit my suggestion to this that clause 6, that is the objects clause, would indicate that in view of the principles set down by May, and which have been recognized over the years, the bill should be treated as a public bill. My conclusion, therefore, must be that procedurally speaking the bill is properly before the House in this form at the present time. I will, therefore, put the motion.

Canada Development Corporation

Hon. E. J. Benson (Minister of Finance) moved that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. speaker, the concept of the Canada Development Corporation has created widespread public interest, as well as some interest in this House, where it appears that all of the opposition parties seem to be in favour of the Canada Development Corporation yet against it at the same time.

Some hon. Members: Oh, oh.

Mr. Benson: Fundamental issues such as the need for a Canada Development Corporation, its objectives, the role to be played by the government, and the nature of its ownership have been thoroughly discussed. The government has benefited from this public discussion and from the briefs it has received in preparing the bill now before the House.

This government believes that there is a role to be played by a new institution, backed by substantial sources of Canadian capital and managed by skilled, experienced Canadian entrepreneurs, to help make possible fuller Canadian participation in the growth and development of Canada. Such an institution will be able to work closely with the other members of the Canadian business and financial community and provide Canadian entrepreneurship with the access to more substantial concentrations of Canadian capital required to ensure a greater Canadian presence in the growth of our own economy.

The general environment into which the new corporation will fit is that of a rapidly developing and diversifying Canadian economy. It is an economy with an enormous resource base and a still greater potential, and a greatly expanded secondary manufacturing sector that must grow and prosper in a highly competitive international environment. Business and industry have entered a new period of internationalism which makes it desirable that there be a number of Canadian controlled corporations with headquarters in Canada and with the kind of institutional strength and management capabilities to compete successfully in Canadian and international markets.

To take advantage of the opportunities and to meet the challenges created by this environment demands a vigorous, inventive and skilled people, large scale organization and the mobilization of substantial blocks of capital and entrepreneurial talent. In a country at Canada's stage of development and, open as we are to foreign capital and international competition, it also requires appropriate government policies.

While Canadians have one of the highest saving rates in the world and provide the bulk of Canada's private investment needs, foreign ownership and control of Canadian industry have become very extensive. Canadians have enjoyed significant material benefits as a result of these investments. Nevertheless, Canadians today are asking why they cannot participate more fully in their own resource and industrial development and in the growth of strong Canadian based corporations with extensive international interests and operations.

It is against the background of all these factors that the federal government has determined to move ahead with the bill to establish a Canada Development Corporation. The purposes of the Canada Development Corporation—

[Mr. Speaker.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vegreville (Mr. Mazankowski)—Grain—Suggested amendment of repayment formula under Prairie Grain Advance Payments Act; the hon. member for Fraser Valley West (Mr. Rose)—Public Service—Review of Staff Relations Act—Consultation with employee associations—reference to committee; the hon. member for Halifax-East Hants (Mr. McCleave)—Transport—Suggested use of light on Halifax monument as signal for shipping.

It being five o'clock, the House will now proceed to the consideration of private members business as listed on today's Order Paper, namely, notices of motions, public bills.

PRIVATE MEMBERS' MOTIONS

HIGHWAYS

REQUEST FOR FEDERAL PARTICIPATION IN CONSTRUCTION PROGRAM IN ATLANTIC PROVINCES

Mr. Robert McCleave (Halifax-East Hants) moved:

That, in the opinion of this House, the government should consider the advisability of declaring as rapidly as feasible a 90-10 formula of cost-sharing with the Atlantic Provinces, of the highways program formerly carried on with those provinces by the Atlantic Development Board, and of joining with Nova Scotia and New Brunswick in the Fundy Trail project, and of joining with Nova Scotia in building a crossing across the Shubenacadie River.

He said: Mr. Speaker, about two years ago the transport committee of this House considered the transportation problems of the Atlantic provinces and subsequently reported on June 17, 1969. One recommendation of particular interest in this connection is to be found at page 39 of the Transport Committee's proceedings No. 28. I quote:

It is further recommended that the government should consider the advisability of instituting a five-year program of federal assistance to highways in the Atlantic provinces, $30 million to be the maximum federal contribution in any one year. This program should be financed on a 90-10 basis. The provinces would be required to submit plans for a defined network of all-weather highways, chosen for their effect on competition among transportation modes in the Atlantic provinces, and for their con-

tribution toward the economic development of the Atlantic provinces.

Before hon. members who raise points of order rush back in to scream "foul" because this suggests the spending of money by the government, I would point out that this recommendation was more or less in the form of a prayer attached to the end of the Transport Committee's report. We felt this was the only way of escaping the censure of those who remind us that a private member cannot bring in a resolution which involves the expenditure of money.

The fact is that the private members on that committee, and they were from all political parties, agreed unanimously that this was a most important matter, this 90-10 formula for Atlantic Canada highways. The Atlantic Development Board is deceased, but its ghost is well remembered for the work it did in connection with highway development in my part of Canada. Late in 1969, on December 1, I engaged in one of those late night fishing expeditions at ten o'clock, on that occasion with the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. O'Connell). I asked him to find out in some general way what the new department of regional economic expansion proposed in the form of cost sharing arrangements in connection with future highway developments in Atlantic Canada. As reported at page 1473 of *Hansard,* I said:

> I am wondering whether the formula will cover such projects as the Shubenacadie River crossing or a second bridge from Halifax across the northwest arm, both being within the riding of Halifax-East Hants.

The parliamentary secretary replied:

> Let me say that the development programs which the Department of Regional Economic Expansion is currently discussing with provinces in the Atlantic Region are expected to make provision for a certain amount of highway assistance integrated with comprehensive plans for regional development.

At the time of the federal election of the year before, for the first time, East Hants became part of my responsibility. The people there are very anxious, and have been over the years, to obtain some crossing of the Shubenacadie River which would cut off many tens of miles for people on the west bank of the river and greatly convenience those in the Colchester-Maitland-Hants County area. I hold up one of my files to indicate I have been somewhat fervent in my correspondence with members of the federal and provincial governments on this matter. I gave the people concerned the promise that I would work hard for this project and I am trying to do just that.

Some hon. Members: Hear, hear!

Mr. McCleave: Since my time is limited, I will try to deal with some of the aspects that are on record. For example, in a letter to the Minister of Transport (Mr. Jamieson) last year, I said:

> Here are several reasons which I suggest be considered in support of the building of the crossing.
>
> (1) Truck traffic into and out of the Annapolis Valley to the east is increasing, and because transport trucks are becoming larger and heavier, either bridges on existing routes will have to be improved or a crossing provided.
>
> (2) Annapolis agriculture would benefit by the shorter haul to the Truro area (and on to New Brunswick).
>
> (3) If a causeway were decided upon, a great inland fresh water lake would develop, thus providing a logical northern playland for Metropolitan Halifax-Dartmouth, as well as an extension of the metropolitan growth centre.
>
> (4) In due season, Fundy tidal power will be developed. In the course of hundreds of millions of dollars of construction, no doubt important savings would be made by having a shorter link from Truro.
>
> (5) There are educational and health benefits for the people on the west side of the Shubenacadie River whose natural capital is Truro.
>
> (6) The crossing is a logical link in a Fundy trail.

As a matter of fact, it occurred to me only a few weeks ago when I took a fresh look at the plans for Fundy power development, that the crossing could well be on top of a dam. Fundy power development will need at least three dams to be effective and the crossing could be made on top of one of them, thus combining a vista of a man-made wonder of the world with transportation benefits. I know that in France where they have harnessed tidal power they have turned that project into a tourist attraction. This might be of benefit; it might be considered. Perhaps I should not even have mentioned it, because it might give people an opportunity to put off the building of the Shubenacadie River crossing for another 40 years.

I also wrote to the Minister of Regional Economic Expansion (Mr. Marchand), to the Minister of Agriculture (Mr. Olson) and to the President of the Privy Council (Mr. MacEachen). The Minister of Transport provided a quick answer as one would expect. He did point out that this was not part of a highways program for last year. I gather that the highways program for that year was limited to the completion of the Trans-Canada Highway; it would certainly have been drawn up much earlier in the year than the date on which I sent him the letter. Be this as it may, it was not a submission by the provincial government to the federal government at that point. The answer I received from the President of the Privy Council, then the Minister of Manpower and Immigration was that he was actively pursuing the matter with his colleagues.

A major development came on August 27 at a meeting of the provincial cabinet in Halifax, when it was unanimously agreed that the Shubenacadie crossing bridge should be included in the five-year plan to be presented to Ottawa some time this fall. This information is contained in a letter from Mr. Gerald C. Ritcey, the provincial secretary for trade, written to Mr. Herbert McDuffie, president of the Shubenacadie River crossing committee. Then, came the provincial election, and I gather that at the moment the river crossing project is still very much a dream—a dream without any concrete reality.

Among the proponents of this project over the years is Mr. Herbert McDuffie, who is head of the committee with respect to it. He is an old man now, and I suppose in his evening years he hopes to see at least a start made on the crossing. The Maritime Provinces Chamber of Commerce has also been a proponent of the scheme. Mr. Ritcey was

the man who most of all carried it forward in Nova Scotia. The present Premier of Nova Scotia is also in favour of the scheme, or was, during the provincial election of 1967. The Nova Scotia Federation of Home and School Associations has supported it, as have the municipalities of East Hants, West Hants, and Colchester, the towns of Truro and Stewiacke, the Tourist Council of Central Nova Scotia, and Annapolis Valley Affiliated Boards of Trade, the Truro Board of Trade, the Truro Area Industrial Committee, and the Fundy vacation trail committee of Nova Scotia and New Brunswick. All those bodies are in favour of the Shubenacadie River crossing.

• (5:10 p.m.)

In order to allow other hon. members interested in transportation in the Maritimes an opportunity to speak, I shall shorten my speech. As you may have noticed, I have not dealt with the Fundy Trail fully; I will leave that to my seconder, the hon. member for Moncton (Mr. Thomas). May I read part of the article "the publisher's column", by J. M. Murphy, in the Truro *Weekly News* of January 28. Mr. Murphy has promoted the idea of the Shubenacadie River crossing as follows:

> The value of the 'intangibles' to them, which crossing would provide, would be the moving of provincial and federal government services emanating out of Truro, some 30 miles closer to them. These services include health, postal, RCMP, educational, Department of Agriculture, veterinary, Manpower, Unemployment Insurance, express and freight shipments by truck, and various commercial services among the many. The cost of transportation to and from Truro and the area would be lessened. The area would be opened up to the tourist trade, 85 per cent of which streams into the province through the Amherst border and North Hants would also be opened up as a new recreational and conceivably residential area, with a resulting increase in land value. Such places as Maitland and Noel might once again become important ocean shipping ports for such things as petroleum products, pulpwood, cement and the like.

It is interesting to note that the largest four masted vessel ever to be built in Canada was built in Maitland approximately 100 years ago.

I have placed on the record some of my thoughts. I have pursued this matter pretty zealously since East Hants became part of my responsibilities after the 1968 election. May I sum it up this way: the crossing can come into existence under either one of two federal programs. It can be done if the federal government adopts the 90-10 highway sharing formula suggested in the transport committee's report of July, 1969. The other way would be for the crossing to be included as part of an over-all regional development program under the Department of Regional Economic Expansion agreement with the province of Nova Scotia. I would not quarrel with either of these methods; I just want to see this done, and done soon.

The Acting Speaker (Mr. Richard): The hon. member for Northumberland-Miramichi.

Mr. Guy Crossman (Westmorland-Kent): Mr. Speaker, may I congratulate the hon. member for Halifax-East Hants (Mr. McCleave) for moving this private members' notice of motion because it deals with the improvement and further construction of highways in the Atlantic region. On December 16, 1968, a similar motion was moved by the hon. member for Moncton (Mr. Thomas), and dealt with in this House. I say it was a similar motion, for it also dealt with the Fundy Trail construction. That, in part, is what I wish to speak about today. I think that the Shubenacadie River crossing is a matter for the provincial authorities and the government of Canada.

So far as the Fundy Trail construction is concerned, on December 16, 1968, I endeavoured to point out, while keeping in mind the importance of this trail to the promotion of tourism in the area, that it was also essential that a long look be taken at the over-all situation before establishing priorities. I mentioned at that time that only the southwestern part of New Brunswick has highways completed to modern standards. One of these is the Trans-Canada Highway leading from the Quebec border, through Woodstock, Fredericton and Moncton to the Nova Scotia border and also to the P.E.I. ferry crossing at Cape Tormentine. Another is the highway leading from St. Stephen to Saint John and from Saint John to the Trans-Canada Highway. I am also pleased to say that considerable work was done to the highway from Woodstock to Houlton during the 1970 season; but the completion of this very important artery is still in the future. The highways just mentioned cover in part the requirements in the south and west areas.

One short look at the substandard condition of the No. 11 highway linking the northern part of New Brunswick to the rest of the province along the eastern seaboard would convince anyone that the priorities agreed on in the special areas and highways agreement for 1970-72 were well chosen. The hundreds of towns and villages depending on this highway are hampered by seasonal weight restrictions and by lack of an easy access to markets for their perishable products of the sea. This part of the road lies along the coast of the Northumberland Strait. It is with concern that we realize that many of the bridges on this highway were built before today's heavy traffic was envisaged. The collapse of one of these bridges would cause a serious traffic tie up for indefinite periods. One bridge I have in mind is the bridge entering Bathurst. The traffic of today is really overtaking this bridge. If that bridge were to be out of use it would seriously hamper a most industrious town. Another bridge I have in mind is the Cocagne Bridge bridging the Cocagne River. If there were a tie up in those cases, great hardship would be caused along many miles of the coast of the Northumberland Strait.

Mr. McCleave: That is quite right.

Mr. Crossman: I have pointed out only a few reasons for showing that if any concern is felt for the possible future economic development of this large region, the continuation and completion of the new No. 11 highway should remain the No. 1 priority.

I have in my hand a document entitled, "Canada/New Brunswick Special Areas and Highways Agreement 1970/72". Numerous items in schedule B relating to highway construction show that the government of the province of New Brunswick saw eye to eye with the Department of Regional Economic Expansion on what I consider

to be a matter of top priority, the improvement of No. 11 highway. Numerous items in schedule B show that work was begun in different areas along the No. 11 highway. I hope that this very important project will be continued in the coming year.

Having said this, I wish to assure my hon. friend for Halifax-East Hants that nothing could please me more than if ways and means could be found to finance his proposed project. Nevertheless, I differ with him in the formula he has suggested. I listened to the hon. member today. This afternoon he suggested that the government should consider the advisability of declaring as rapidly as feasible a 90-10 cost-sharing formula for the highway program that was formerly embarked on by those provinces and the Atlantic Development Board. Perhaps the hon. member is not aware what a retrograde step this would be. The maximum cost sharing under the Atlantic Development Board program was of the order of 75-25.

• (5:20 p.m.)

The present agreements on special areas and highways provided for 100 per cent federal financing of construction costs and, unlike the ADB program, for loan financing for land acquisition in urban areas where acquisition costs are often high. The total assistance provided by the ADB to the Atlantic provinces, from the first agreement in 1964 to the fourth agreement in 1968, was $66.5 million, distributed as follows: $19.5 million to Newfoundland, Nova Scotia and New Brunswick and $8 million to Prince Edward Island. Under the DREE Special Areas and Highway Agreements signed this year, the amount committed toward highways in fiscal 1970-71 alone comes to $63.4 millions, composed of $55.4 million in grants and $8 million in loans. Over the short life of the agreement, from April 1, 1970 to June 30, 1972, the total expenditure under this agreement on highways in the Atlantic provinces will be approximately $88 million, consisting of $76 million in grants and $12 million in loans. These amounts are, of course, additional to the $7.5 million in federal funds committed for highways under the FRED Plan for P.E.I. In fiscal 1970-71 alone, almost as much money has been committed to highway development in the Atlantic provinces as was provided over four years in the old ADB Agreements.

With respect to the highways that are assisted, and specifically the Fundy Trail project and a crossing of the Shubenacadie river, it must be pointed out that highway programs are joint programs with the provinces. In all cases they must be highways that we and the provinces agree jointly are important contributors to the economic development of the province. We are aware of the merits of the roads that the member has suggested and their potential contribution to the development of the provinces, but the provinces concerned felt, and we agreed, that they would not contribute as importantly to the development of the region as a whole and the individual provinces as the highways that were chosen for priority construction.

I would like the hon. member to enlighten me on one point. The program for construction of the Shubenacadie crossing has not yet been advanced by the provincial authorities to the federal authorities. This is what I gather. I ask the hon. member whether this is a fact.

The Acting Speaker (Mr. Richard): Order, please. Hon. members will appreciate that while I called the hon. member for Northumberland-Miramichi (Mr. Smith), it was the hon. member for Westmorland-Kent (Mr. Crossman) who spoke.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, it was with considerable interest that I noticed my colleague, the hon. member for Halifax-East Hants (Mr. McCleave), had placed this notice of motion on the Order Paper. It ties in very closely with my own notice of motion No. 20, which calls on the government to develop an over-all transportation policy for the Atlantic region. This is something that has been promised to the area for a good many years. It was specifically promised in 1967 when the National Transporation Act was passed. The necessity for an over-all policy was recognized by the government at that time when they instituted the freeze on railway rates. Over the past four years, the recognition has been more in the breach than in the observance. We all know what happened to the freeze on rail rates. We know what happened to rail rates in the past four years. Only those who live in the Atlantic provinces are aware of the fact that we are still no closer to an Atlantic transportation policy than in 1966.

I want to emphasize the need for an over-all transportation policy. I appreciate remarks made by the hon. member for Westmorland-Kent (Mr. Crossman). I am very happy that he is with us. I feel only through the co-operation of all Atlantic members, regardless of political affiliation, will we eventually be able to arrive at a coherent and comprehensive policy for the area.

While I agree with the figures given by the hon. member for Westmorland-Kent, and appreciate the fact that many millions of dollars have been pumped into the area through the agreement he referred to, I maintain the position we have taken from the start that this is still not the comprehensive policy that has been called for by the old ADB, the Atlantic Provinces Premiers' Report and the Standing Committee on Transportation. DREE is basically an ad hoc policy. As far as we are concerned, the time has long passed when we should abandon this idea of ad hoc assistance for the area and come up with a long-range development policy to bring this area up to the level of the rest of Canada. This fact has been long recognized. The old ADB was established in 1963. I quote from their final report:

> From its inception, the Board recognized that shortcomings in transportation were responsible for much of the lagging economic growth of the Atlantic region. While it was apparent that these shortcomings embraced all modes of transport, the solutions were anything but obvious, involving as they did complex questions of national and regional policy objectives. What was clear and undisputed, however, was the need for a network of modern, all-weather trunk highways, to be constructed at the same time as an over-all transportation policy for the region was being developed.

That was in 1963, close to eight years ago. We are still waiting for a comprehensive transportation policy for the Atlantic area. It is all right for the government to say

that millions of dollars have been dumped into that area. I agree that in the period 1964-67 $66.5 million were provided for highway construction in the area. These were crash programs to try to bring some of these areas up to some sort of standard. It was not a comprehensive policy. In case there is any confusion, I point out that the assistance varied from 50/50 in some cases to 75/25 in others, but not the 90/10 that was later developed to finish the Trans-Canada Highway in areas where the costs of construction were prohibitive.

Our problem in the Atlantic area is the fact that highway construction is very costly because of the small population and rugged terrain. Highway construction in that area has always fallen behind the rest of Canada. We have never had the good, all-weather highways that people in central Canada have been blessed with for many years.

The principles of the National Transportation Act, which are essentially based on the principle of competition to protect regional areas from discriminatory rates, have not worked in our area. There is no effective competition there. The National Transportation Act provides that rail rates must be compensatory. However, the catch is the clause which allows the railway or other carrier to charge whatever rate competition will permit. In an area where there is only limited competition, there is nothing to prevent the carrier in the region from charging what the traffic will bear. This is our problem. This is why ADB, and all the commissions which have studied the area, have identified the lack of suitable transportation as one of the root causes of our economic disparity.

• (5:30 p.m.)

The National Transportation Act as it applies today does little or nothing for our area. Even though we have had $66.5 million pumped into the area and other money put in by DREE, we still lack an all-weather arterial highway network. The Atlantic Premiers referred many times in their report to the fact that if secondary industries are to be developed in the Atlantic region, and other industries brought up to the potential of industries in the rest of Canada, an adequate highway network that will accommodate other modes of transportation, such as trucking, must be constructed in order to provide competition for the railways. Then we will truly have compensatory rates as envisaged under the National Transportation Act.

In the report referred to by my colleague for Halifax-East Hants, entitled "The Basic Elements of an Atlantic Provinces Transportation Policy" published in March, 1969, the Premiers expressed the view that the limited financial capabilities of the Atlantic provinces necessitate an increase in federal investment in the arterial highway program. They stated that a long-term program was essential to get maximum benefit from available funds—frequent reference is made to this throughout the report—and that the province of Newfoundland and Labrador has special highway requirements within the Atlantic region.

They went on to point out that as a result of these peculiar conditions to which I have referred in the Atlantic area and the high cost of building highways, the Atlantic region is entitled to special assistance such as our national transportation policy recognizes is required for other types of transportation. I need mention only briefly the assistance provided primary producers in the west under the Crow's Nest Pass rates, the construction of the St. Lawrence Seaway, which was essentially created and subsidized by the government to enable shippers from western Canada to export and manufacturers in central Canada to import, and subsidizing the construction of the Trans-Canada Highway by the federal government, again a highway built to assist long-range transportation.

In practically all the reports and submissions that have been made it has been contended that the Atlantic provinces are entitled to extra assistance. This is why my colleague's motion asks for an allocation of funds to the extent of 90 per cent by the federal government and 10 per cent by the province concerned. In this connection I should like to put on record the submission of the Atlantic Premiers in regard to an over-all assistance program:

> The length of this program should be ten years with the first five years fixed and the balance renegotiated and reconsidered prior to the conclusion of the first five years. The federal share of total costs, including acquisition of right of way, should be 90 per cent for the first five years. Prior to the end of ten years, a further program should be negotiated, if needed.
>
> To avoid a two-year pause in construction while a detailed program is being developed and negotiated, it is recommended that the detailed one-year program contained in the Atlantic provinces submission to the Atlantic Development Board be extended to cover two years—

This is the basis of my submission. I appreciate that funds have been pumped into the Atlantic area, but I maintain and have always been of the opinion that short-range, ad hoc policies are not the answer to our problem. What we require is something along the line envisaged by this motion, namely, a long-range program—such as that suggested by the Atlantic Premiers—which would be the foundation or cornerstone of an Atlantic transportation policy of the sort for which I have been fighting and arguing since I have been a member of this House.

My colleague referred to the Fundy Trail, and I spoke about it two years ago. I am still strongly in favour of the construction of the Fundy Trail. In fact, I think this area is so badly in need of new highways that we should not become too sectional or regional in our approach. Indeed, we should lend our support to the Shubenacadie River crossing, or to route 9 or route 11, to which my hon. friend from Westmorland-Kent made reference. All of these could be embraced within one over-all program. Since I hope my hon. friend from Saint John-Lancaster (Mr. Bell) will have a chance to say something about the Fundy Trail, I will leave that subject to him.

Mr. G. A. Percy Smith (Northumberland-Miramichi): Mr. Speaker, in rising to take part in this debate on the motion moved by the hon. member for Halifax-East Hants (Mr. McCleave), seconded by the hon. member for Moncton (Mr. Thomas), I cannot but commend both of them for requesting additional financial assistance from the federal government for the transportation system mentioned in the motion. The motion reads as follows:

That, in the opinion of this House, the government should consider the advisability of declaring as rapidly as feasible a 90-10 formula of cost-sharing with the Atlantic provinces, of the highways program formerly carried on with those provinces by the Atlantic Development Board, and of joining with Nova Scotia and New Brunswick in the Fundy Trail project, and of joining with Nova Scotia in building a crossing across the Shubenacadie River.

This is not the first time that this or a similar motion has been debated in the House. On December 16, 1968, on a motion moved by the hon. member for Moncton, there was considerable debate about the Fundy Trail. However, the present motion is somewhat wider, not only because it makes reference to the Shubenacadie River crossing but also because, by necessary implication, it brings up for discussion the whole question of federal aid to the provinces in regard to highway construction.

I do not think any member of the House, especially a member from the Atlantic region, would be wholly inclined to disagree with this motion. Part of the motion, the part on which I expected to hear most debate, refers to the Fundy Trail. This is essentially a route that would be a great tourist attraction. It would follow the shores of the Bay of Fundy both on the New Brunswick and the Nova Scotia side. It would undoubtedly be a most attractive tourist route, following through some of the most scenic parts of the two provinces. However, from what I have seen of the terrain, it is quite rugged and therefore construction costs would be quite high. Its length would be approximately 550 miles from St. Stephen, New Brunswick to Yarmouth, Nova Scotia, about half of this distance being in each province.

The existing highway that follows the shore of the Bay of Fundy for the most part does not afford a view of the waters of the bay. It runs inland from the bay, sometimes up to a distance of 40 miles, and the fishing communities dotted along the shore of the bay are themselves serviced by small branch roads. The constructing of roads inland in earlier times may have been dictated by the fact that it was less rugged country and therefore construction costs were cheaper.

• (5:40 p.m.)

Like all hon. members who have spoken, I am a great believer in the fullest possible development of the tourist potential of the Atlantic provinces. I believe we have something exceptional to offer tourists, especially in areas such as the proposed Fundy Trail and along our east coasts. I feel that the provinces in attempting to attract industry to our chronically depressed Atlantic provinces sometimes tend to overlook our real tourist potential. Perhaps this is because we compete with each other. It is unfortunate that in the past most efforts have been directed toward the attraction of resource-based industry. Considerable sums in grants and other concessions have often been made to that type of industry to induce them to locate there. However, the result in many cases has simply been the carting away of our natural resources by foreign companies which sometimes leave the landscape in a most unattractive condition.

A more enlightened approach in recent years has been shown by some companies who are exploiting our renewable resources, particularly our forests, and have begun to show an interest in reforestation. The results of the exploitation of our non-renewable resources, such as minerals, are more serious since nothing can be done to replace our ore bodies in the ground. A further side-effect to the exploitation of our minerals is the damage which this operation does to one of our main tourist attractions, that is, the fish life to be found in our streams, lakes and rivers. Our pulp mills contribute as well, but to a lesser degree, to the destruction of this great natural resource.

I am keenly aware of this problem, living as I do on the banks of the Miramichi River, which is the greatest Atlantic salmon river in the world but where pollution is now reaching a dangerous stage. I am pleased to note that our Minister of Fisheries and Forestry (Mr. Davis) is taking a very serious view of this matter and is showing polluters and potential polluters of our waters that he means business.

Let me return to the question of the Fundy Trail. It should be pointed out that although money is being made available by the government of Canada to the provinces to meet our pressing transportation problem, including highways, the priorities for such construction are set out by the provinces concerned. In the pressing and even desperate need to service relatively large provinces containing relatively small populations, they have so far elected to spend the moneys available on roads that would serve the dual purpose of providing transportation between major population centres and also assist the tourist industry.

I am not certain of the priorities set out by the province of Nova Scotia but I know that in New Brunswick, at least under the former government of Hon. Louis J. Robichaud, the main priority was for an all-weather road from Moncton to Chatham and thence to Bathurst and Campbellton. I hope the present government of New Brunswick will uphold this priority, especially in view of the fact that construction of this road had already commenced under the previous government. I might add that this road as well as connecting main population centres would be a very scenic one: it would follow the east coast of New Brunswick, crossing the Miramichi River at Chatham over the newly-constructed Centennial Bridge located in the constitutency of Northumberland-Miramichi which I have the honour to represent in this House.

On the question of priorities, which I repeat—and I think the hon. member for Halifax-East Hants will agree—is a provincial matter, I should like to mention another project which has been discussed for almost as long as the Fundy Trail. It was started many years ago under the roads to resources program, and although passable with difficulty, it is far from being completed. I refer to the Renous-Plaster Rock highway, which would open up the whole central area of New Brunswick. Furthermore, it would tie in with the much discussed corridor road from New Brunswick to Montreal through the state of Maine. It would decrease the travel distance from eastern New Brunswick to Montreal by over 100 miles.

I mention the corridor road because it was referred to in a submission signed by the Premiers of the four

Atlantic provinces and forwarded to the Minister of Transport (Mr. Jamieson) in March, 1969. This submission, to which the hon. member for Moncton referred, relates to the corridor road in connection with spending money on roads in Atlantic Canada. It suggests that especially when we consider spending large amounts of money, an over-all view of present and future needs should be taken, including connecting roads between provinces and methods of ingress and egress to and from the whole area. I quote from page 17 of that report under the heading, "Transportation Modes—Highways".

An adequate highway network is essential to the economic development of the region. The limited financial capabilities of the Atlantic provinces necessitate an increase in the federal investment in the arterial highway program. A long-term program is essential to get maximum benefit from available funds. The province of Newfoundland and Labrador has special highway requirements within the Atlantic region.

The position of the Atlantic provinces on highways was outlined in detail in their submission to the Atlantc Development Board on April 1, 1968. At that time the submission to the ADB recognized that the subsequent findings contained in this report might necessitate some amendments to the original submission. The four provinces recommend the following modifications in the ADB brief:

(1) Greater emphasis on the need for urban arterials.

(2) Recognition in the long-term program of the differing needs and financial capabilities of the individual provinces.

I quote one more paragraph of the report:

Emphasis should be placed upon acceptance by the federal government of the principle of such a long-term program and upon acceptance of that principle the following course of action is proposed:

(1) Before implementing a long-term arterial highway program, a detailed assessment of the network needs of the individual provinces should be carried out. Such an assessment should include detailed analysis of the potential impact on the regional highway network of such major projects as the Northumberland Strait causeway and the corridor road.

I would point out to the hon. member who introduced the motion that nowhere in this report, or in any other submission or report I have seen, have recent governments of Nova Scotia headed by men of like political persuasion to his placed a high priority on the Fundy Trail. The hon. member for Halifax-East Hants might be well advised to first convince his province of Nova Scotia of the high priority the Fund Trail deserves and which I agree it should have.

The hon. member for Halifax-East Hants and the hon. member for Moncton suggest that this government consider the advisability of declaring as rapidly as feasible a 90-10 per cent cost-sharing formula in respect of the highways' program formerly carried on with the Atlantic provinces by the Atlantic Development Board. I suggest that the formula detailed by the hon. member for Westmorland-Kent (Mr. Crossman) is more generous than the one requested.

• (5:50 p.m.)

Mr. Speaker, I do not want to take up too much time. I will simply repeat what I believe was said by the hon. member for Westmorland-Kent, that in the fiscal year 1970-71 alone almost as much money has been committed to highway development in the Atlantic provinces as was provided over four years under the Atlantic Development Board agreements. With respect to highways that are assisted, specifically the Fundy Trail project and the crossing of the Shubenacadie River, it must be pointed out, as has been mentioned already, that they are joint programs with the provinces. In all cases they must be highways which Ottawa and the provinces jointly agree are important contributors to the economic development of the province.

I am aware of the merit of the roads the hon. member has referred to and their potential contribution to the development of these areas, but apparently the provinces concerned felt, and Ottawa agreed, that they would not contribute as importantly to the development of the region as a whole and the individual provinces as would the highways that were chosen for priority construction.

In conclusion, I repeat that I would support the hon. member's motion fully, with the single reservation that the priority in respect of it must be spelled out by the provincial governments concerned. And, of course—this is understood—this project must not be constructed at the expense of funds that would otherwise be used for projects which I have indicated, and which the two provinces have indicated, have higher priority.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, lest the record should seem to indicate that only members from the Atlantic provinces are interested in this motion, perhaps a voice from the west might have the floor for 30 seconds. I admit to an ancestral prejudice in favour of Nova Scotia and New Brunswick but I believe it is also true that in western Canada we think that what is good for the Atlantic provinces is good for Canada. I like the idea of an over-all highways' program for the Atlantic provinces, I support the Fundy Trail, and I believe Nova Scotia should have the Shubenacadie crossing. I commend the hon. member for Halifax-East Hants (Mr. McCleave) for presenting this motion this afternoon.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, in spite of the advance billing of the hon. member for Moncton (Mr. Thomas), I really had not intended to make extensive remarks. The parliamentary secretary has been making notes so I want to give him plenty of time to talk out the bill. There is, however, one thing I should like to say briefly in connection with the Fundy Trail. I have advocated this for years, along with many other members, and when I get up to speak about the Fundy Trail now everybody yells out "funny trail". But it is a great project and I, as one who helped in its early promotion, envisage a particular type of vacation trail the funds for which would not come from regular highway sources.

I regret that this has been misunderstood by members of this House and by many of the sincere promoters of this project. I do not feel we should take the highway moneys of New Brunswick or Nova Scotia, regardless of the governments concerned, and allocate them to a tourist trail, because these moneys are scarce. I believe we

should start by gradually developing the roads around the Bay of Fundy, as has been explained, and then look into the matter to see if there is a better way to do it. In this way we could find out how much should be spent on the project. I envisage money coming from Fundy Park and such projects, in the way the special highways at Banff and Jasper were built.

I commend those hon. members who have taken the opportunity to put forward very sensible remarks about the effect this transportation program would have and the need for it in the Maritimes.

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, in rising to take part in this debate I do not wish to be misunderstood in the sense that I am opposed to federal involvement in the development of highways which previous speakers have advocated for the Atlantic provinces. Like the hon. member for Winnipeg North Centre (Mr. Knowles), I wish to see an over-all highways policy involving not only the Atlantic provinces but all of Canada. In other parts of Canada there are highways which deserve federal attention because of their importance, the contribution they could make to transportation at the national level and the great impact they could have on the tourist industry, which as hon. members know is one of the major foreign exchange earners in this country.

Two such highways come to mind in this connection. The first is the Alaska Highway. Hon. members have advocated that the federal government become involved in the paving of this very important route. The number of tourists who use this route is increasing every year, but it is nowhere as large as we could expect if it were paved. Indeed, people who travel this route have to be most adventuresome. In addition to such people there are many others who would like to travel the northern part of this continent but are unable to do so because of the very poor condition of this road.

Another highway, on which I shall concentrate more, is the Yellowhead route. This highway is already built. It is really the second trans-Canada highway in the prairie provinces. It begins at Portage la Prairie in Manitoba and runs through such prairie centres as Yorkton, Saskatoon, North Battleford, Lloydminister, Edmonton, Edson, Hinton, then through the national park and community of Jasper to finally join the Trans-Canada Highway again at Kamloops.

As I said, this highway has been completed. Many parts of it are superior to the Trans-Canada Highway. The dimensions and structure of it exceed the requirements of the Trans-Canada Highway Act. All that is lacking is a national designation of this highway. Many people have been involved in the development of the highway and its promotion. To put it simply, they feel the federal government could, by adding its name to this highway, increase its stature and thereby bring more tourists to that part of the prairie provinces.

In addition, this highway saves dollars for transport companies who operate to Vancouver, because of low gas consumption on it. The grades along the highway are much smaller than those on the Trans-Canada Highway through Rogers Pass. The snowfall on this highway is also much less than it is in the Rogers Pass portion of the Trans-Canada Highway.

The Acting Speaker (Mr. Richard): Order, please. The hour appointed for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the purposes of the CDC are essentially twofold; first, to help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector of the economy and, second, to give Canadians greater opportunities to invest and participate in the economic development of Canada.

The CDC would seek to achieve its first objective by investing in the equity of existing corporations, by helping in the expansion and establishment of significant new enterprises and by assisting the expansion of existing ones. In doing so it will normally invest in enterprises in which it expects to have a substantial holding of shares carrying voting rights and in which the total value of the shareholders' equity will be, or is likely to become, $1 million or more. It is expected that CDC's investment in a corporation would normally be large enough, either alone or in combination with other Canadian investors, to ensure Canadian control. It would generally not seek to exercise direct operating control of the corporations in which it invests, and accordingly it would not be necessary for them to be CDC subsidiaries. It would, of course, be in a position to exercise the degree of influence on the basic policies and direction of such corporations appropriate for a major shareholder.

The corporation will be expected to work very closely with other members of the Canadian business and financial community. Ideally, many of its actions and investments will be in response to proposals made to it by others. It should concentrate the exercise of its own direct entrepreneurial functions in those areas of particular promise and interest to the Canadian economy where there is not otherwise likely to be a sufficient degree of Canadian participation.

We anticipate that it will give special attention to industries considered to be of greatest potential and importance to Canada's future economic development. It should emphasize areas involving the development and application of new technology, those which involve the exploitation and utilization of Canadian natural resources, those which have special relevance to the development of the north and those in which Canada now has or can develop significant comparative advantages by international standards.

To take full advantage of future opportunities to develop our economy, some significant steps must be taken to rationalize and improve various sectors of Canadian industry. Some of these steps will involve mergers, amalgamations and other corporate arrangements designed to strengthen the competitiveness of Canadian industry. However, it is often in the process of making such desirable changes that Canadian control of a corporation involved becomes most vulnerable.

The CDC should be in a position to play an important catalytic and facilitating role in making such constructive changes possible and reducing the risks of an undesirable degree of foreign control of the industries concerned. Thus, it will work in close and creative co-operation with Canada's business and investing community, in helping to build the kind of Canadian institutions which will enlarge the opportunities for Canadians to use their management and technical skills and to develop greater markets for Canadian goods and services.

• (8:10 p.m.)

The primary role of the CDC will be to help shape and secure the future rather than to recover the past. Its approach must be a dynamic, positive and forward-looking one. Just as the forces at work in our economy are many and complex, the measures we must take to shape our economy in the 1970s must be varied and flexible. The CDC has been designed with broad investment powers to give its management the resources and the flexibility to achieve, in the most effective way, the objectives set out for it.

The corporation will operate within the private sector of the economy with the capabilities and constraints of a private corporation. It will be expected to carry out its objects, in the words of the bill, "in anticipation of profit and in the best interests of the shareholders as a whole." Since the shares of the corporation will as soon as practicable be sold to the public in competition with all other investment vehicles, the management of the corporation will at all times be fully aware of the need to earn a competitive rate of return on invested capital fully commensurate with the risks involved.

The CDC cannot and must not be expected to make investments which do not meet its criteria for profitability. The national interest and the profit motive are not always compatible, but there is a broad area over which they are or can be in harmony. It is in this area that the corporation's activities and interest will be concentrated. This means that there are limits to what the corporation can be expected to accomplish. It should be regarded as only one of the measures to promote greater ownership and control of our economy by Canadians. But I am confident that the role it can play will make a very important contribution to our efforts to deal positively and constructively with these concerns.

The other major purpose set out in the bill is that the corporation should be owned by the Canadian public, with as wide a distribution of the shares as possible. The corporation will be uniquely Canadian with its voting shares held only by Canadian citizens and residents. Through it a new opportunity will be provided for every Canadian to invest in Canadian industry and to share in the profits of such an investment. It is intended that these shares will, when widely held, be listed on Canadian stock exchanges.

I have described the objectives and the kinds of activities set out for the CDC. The government believes these purposes and activities are overwhelmingly supported by Canadians. I am confident that the business community is also behind the CDC, subject to the very important reservation that the CDC must be free to make good business decisions. That prescription has been written into the bill. It is the CDC's mandate.

Comment on the CDC since the introduction of this legislation has, of course, included some strident voices of the political right and left. From the left, my friends of the New Democratic Party cry of a "sell-out to private enterprise" in a statement by their leader that appeared without so much as a cursory examination of the bill. Having now read the bill, the NDP may wish to recognize that the CDC will be widely held, that it will have a specific role to promote Canadian ownership and control and that it will pursue industrial development and greater processing of primary products in Canada. However, I see very little hope for the CDC because this afternoon, in doing something we on this side would have been condemned for, they issued a press release saying what their amendment to the second reading of the bill would be, in which they really propose that we should have a Canada Development Corporation which is designed to take over industry in Canada and have it owned by the government of Canada. That is what they believe in for the CDC.

Mr. Knowles (Winnipeg North Centre): Would the minister—

Mr. Benson: When I am finished.

Mr. Deputy Speaker: Order, please. Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

Mr. Knowles (Winnipeg North Centre): It was to be on a question, but I will make it on a point of order. What did the minister mean when he said, "I now see very little hope for the CDC"?

Mr. Benson: Oh, no. I said I had no hope for the NDP.

Mr. Knowles (Winnipeg North Centre): Don't fuddle with *Hansard*. It was "CDC".

Mr. Benson: Well, if I said "CDC" I apologize. I really meant the NDP, and in that I am in concert with all Canadians.

Mr. Knowles (Winnipeg North Centre): Once in a while you happen to be right the first time.

Mr. Benson: But the CDC will also pursue profits, a word that apparently dismays the New Democrats, and the CDC will operate free of pressure by departments of the federal government. This government has no intention of tying the CDC to specific regional programs, as the NDP would suggest. We do not want another fiasco such as the one in Saskatchewan when the present leader of the NDP was Premier of that province. Nor does the government have any intention of distorting the competitive structure of our financial system by forcing all financial institutions to invest in the CDC, as the New Democrats would insist.

Comment from the right does not, of course, look upon the Canada Development Corporation as a sell-out to big business at all. On the contrary, it sees Socialism—and this was mentioned by hon. members opposite today. One columnist has called the CDC another manifestation of government policy to drive the entrepreneur out of the Canadian economy. Perhaps this kind of acute suspicion can only be resolved by the good performance of the corporation working co-operatively for stronger private corporations increasingly managed and owned by Canadians.

I will now outline some very important provisions of the bill relating to the operation of the corporation. The affairs of the corporation will be managed by a board of directors consisting of 18 to 21 members. The federal government will have the choice of appointing not more than four directors in lieu of voting the government's shares for election of the entire slate of directors. I think the members of the NDP were misleading this afternoon in stating the government would only elect four members of the board of directors. The government has the choice as the corporation develops. If its shares allow it to elect all members of the board of directors, it could, or it could choose the other option.

During any period when the government's voting shares exceed 50 per cent of the outstanding shares issued, the Deputy Minister of Finance and the Deputy Minister of Industry, Trade and Commerce will be appointed ex-officio, non-voting members of the board. These provisions are designed to provide the necessary degree of additional liaison between the corporation and the government during the initial period of its existence. The board of directors of the corporation which the government will initially appoint will be a representative body of suitably qualified Canadians with broad experience in Canadian business, finance and economic development. I am confident that men of this calibre will be available to serve on the board. In addition to the relevant requirements of the Corporations Act, careful procedures will be evolved to deal with situations of possible conflict of interest.

The high quality of the board and the chief executive officer will ensure the corporation of the degree of independence in its operations which it will require to carry out its objectives effectively. Initially the government will be the sole shareholder and it will always be the largest single shareholder. Because of the significant role the corporation has been given by its purposes and objects, the government will want to show a continuing interest in it, and it is expected that the government will always want to hold at least 10 per cent of the voting shares. Thus, it will always be in a position to exercise the degree of influence on the over-all policies of the corporation which would be appropriate to its shareholding at any particular time. However, to underscore the importance the government attaches to achieving the maximum degree of public ownership of the CDC by the Canadian public, the corporation is to be given the right to reduce the government's holding of voting shares down to 10 per cent.

The CDC will operate basically within the provisions of the Canada Corporations Act. It will not be a federal Crown corporation or agency, and this is explicitly set out in the bill. The capital structure of the corporation is designed to give it a high degree of flexibility in raising funds from the public. Its authorized capital will comprise 200 million common shares without nominal or par value, and $1 billion of preferred shares. The preferred shares may be issued with or without voting privileges. The initial offering to the public of common shares is expected to be at a price of about $5 per share to encourage a broad shareholding throughout the whole of Canada.

• (8:20 p.m.)

The source of the corporation's equity capital and the owners of the corporation will be Canadian investors. By Canadian investors we mean residents of Canada and individual Canadian citizens who may be resident abroad. Non-resident foreigners will not be able to hold voting shares though it would be possible for them to purchase non-voting preferred shares. Also, to ensure that the voting shares are widely held, the amount of voting shares that can be held by any one Canadian shareholder or group of associated shareholders is to be limited to 3 per cent. Special redemption features have been provided to enable the corporation to purchase for cancellation shares that are held illegally.

In addition to its right to redeem shares owned by the government to reduce the government's holdings to the minimum of 10 per cent, and to its right to redeem any shares held illegally, the corporation would have the power to use its surplus to reduce its outstanding capital by purchasing its common shares for cancellation without reducing its authorized capital. The provision, if implemented by the board, would improve the ultimate marketability of the corporation's shares. Such a provision is contained in the new Ontario Business Corporations Act and is being considered for the Canada Corporations Act. This power has been available to companies in the United States for some time. The CDC bill provides a number of safeguards to ensure that the exercise of this power will not be abused.

In order to enable the corporation to commence operations without delay upon approval of this bill, and to work effectively toward the achievement of its objects, the federal government will make $250 million available to the corporation by undertaking to purchase its shares either directly or as underwriter. The amount that the government will be required to subscribe under this arrangement is limited to $100 million in the first year and $75 million in each of the following two years. These funds will be set aside for the corporation to be drawn down as suitable investment opportunities arise. In addition, the bill also provides authority for the government to lend up to $100 million to the corporation. It is not intended that this authority to lend will be used during the period when the government is providing equity funds to the corporation.

The bill also gives the government authority to sell to the CDC at such fair and reasonable prices as may be agreed upon between the government and the corporation, the government's investments in certain Crown-owned corporations and businesses which are operating in the private sector on a profitable or potentially profitable basis. An independent evaluation of the government's investment in each of these enterprises will be carried out immediately with a view to effecting the transfer of ownership of those in respect of which agreement can be reached with the corporation. Some of these enterprises are in a position where their further growth and development could be facilitated by giving them the greater flexibility to operate and better access to capital markets which would come from CDC ownership of their shares. The scope of its operations will, of course, be national and it will undoubtedly establish offices in the major business and financial centres in Canada.

The establishment of the CDC is one of the important measures that the government proposes to take in order to widen the opportunities for Canadians to participate in their own development. Its purpose is a positive one. It is designed to look to the future and not to the past. The corporation will be unique in its objects, its ownership, its size and capability. No other corporation in Canada is required by its objects to take into account national interest as well as profitability. Only Canadian citizens or residents can hold its voting shares.

Its capitalization will allow it to become one of the largest Canadian corporations. It will represent a new and significant partnership between the public and private sectors in the dynamic development of our economy. It will create a new centres of entrepreneurship and capital to help build the kind of strong and enterprising Canadian corporations which can compete successfully in an increasingly competitive world. It will enable certain government-owned enterprises to grow and develop as full-fledged members of the business and industrial community, and it will help broaden the opportunities for both Canadian skills and Canadian capital to participate in our own development.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, there is one temptation which I hope will be resisted in the course of this debate. That would be to launch into a full discussion on the subject of economic nationalism and foreign ownership. I put it to you, Mr. Speaker, that the bill before us is in no way related to this question. Not only is the cart before the horse tonight, but the cart has been completely detached from the horse. We have been asked to deal with a bill which has as its objective the creation of some form of government-sponsored investment corporation designed to maintain a strong degree of Canadian control as well as to develop the Canadian economy.

It would seem to me that before we can discuss this measure intelligently to determine whether or not it will do the job people expect of it and meet the objectives set for it, we should be told something about the foreign ownership policy and the industrial development policy of the government. In the absence of this information in crystal clear terms, how are we to evaluate the proposal before us? There is a policy vacuum. We can examine the proposal to set up this corporation, and depending upon where you want to put your money you can take your choice as to the advantages.

If you want to look at it from the viewpoint of national interest, this corporation can lose all the money it cares to in the pursuit of that objective. On the other hand, if we are to be guided by the minister's press release and by the words contained in the bill, which say in effect that the cardinal principle by which the directors must be guided is the rate of profitable return, the situation is seen in an entirely different light and national interests go hang. The idea will then be for the corporation to get into industries operating in higher return areas—parts of Ontario, British Columbia and Alberta—where a really good return can be expected; and in other parts of the country too, because every region has its share of good industry. Anyway, the idea will be to invest in types of industry or economic development which will provide a quick return.

But if this is to be the underlying principle guiding the corporation, I say the cart has been presented long before the horse since we do not know what is to be the foreign ownership policy of the government. Is this to be the type of vehicle the government intends to use? The minister has told us the corporation will not be a buyer of last resort. First, he told us it will not be a buy-back corporation. He shows some intelligence there, because there is not enough money in Canada, government or otherwise, federal plus provincial, to undertake a realistic buy-back operation. Before you can buy back, the other person must be willing to sell. There will no real opportunity to buy back unless, of course, you are to play the prodigal and give anything that a potential vendor might want.

• (8:30 p.m.)

As I said, I do not think this should be a debate on the pros and cons of controls on foreign ownership or on related matters of economic nationalism; it ought to be a debate on this particular bill. We may as well consider that we have here a proposal which before long this bill will end up in committee and my colleagues and I will put forward many questions. We will, of course, raise very serious doubts about the efficacy of this proposed corporation. This bill will go before the Standing Committee

on Finance, Trade and Economic Affairs for examination and public hearing in regard to it. We will then see just what the country thinks about the bill.

Now, Mr. Speaker, let us examine the objectives. It is important to inquire about the objectives of the proposed Canada Development Corporation. Since not too many details were given to us until this evening, and since those are somewhat sketchy, we can only infer to a certain degree what the proposal is. It has been intimated that the CDC is primarily to assist in the development of major projects in Canada and that it will seek to reduce foreign takeover of Canadian corporations.

Mr. Benjamin: Why should it not stop that?

Mr. Lambert (Edmonton West): Of course, when one hears that ones heart goes pit-a-pat a little faster.

Mr. Benjamin: That is right.

Mr. Lambert (Edmonton West): Those are great, laudable objectives. They are in the same category as objectives in favour of motherhood, although apparently some people these days are not in favour of motherhood.

Mr. Benjamin: Some mothers are not.

Mr. Lambert (Edmonton West): This is another instance of somebody being against sin, although I understand that these days many people are not against sin.

Mr. Benjamin: Could the hon. member name one?

Mr. Lambert (Edmonton West): Perhaps the reference is a little out of date. In any event, the minister has expressed noble sentiments because, after all, who can disapprove of the development of major projects by Canadians and of the preservation of Canadian control of our industry? We can all say those words with the appropriate tremolo in our voices.

Mr. Knowles (Winnipeg North Centre): Hallelujah!

Mr. Lambert (Edmonton West): Of course, the development corporation can develop projects or curtail the expansion of foreign ownership, but an analysis of the costs involved and an analysis of this type of initiative leads me to say that this legislation may be self-defeating. Any projects that are economically viable by their very nature can stand on their own feet without government assistance.

The intention of the government is to give constructive help, in co-operation with the private sector, when a decision has been taken. Some claim that there is a large institutional gap in our capital market; but what evidence is there for this assertion? One can think of all sorts of companies which have started from scratch in Canada. In my own province of Alberta small companies have been built on ability and the willingness to scratch. Some of them perhaps had the good fortune to work in an economic climate that was suitable and in a market that was suitable. The same may be said for Ontario. I am sure that all hon. members in the House at present can think of medium and large businesses in their constituencies that were started and developed by Canadians without too much government assistance.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): So I ask, why is there this particular concern at this time? Why must there be this Canada Development Corporation? Let us see what has happened in Alberta. I ask the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) to cast his memory back to the little bill in 1965 that set up the Alberta Development Fund. That was set up under a Crown corporation with a board of directors. Its purpose was to help struggling Alberta companies. The public were invited to subscribe to debentures which were guaranteed as to 3 per cent, plus a share of the profits over and above that. The sad history is, Mr. Speaker, that the public response was almost nil. No moneys were advanced to any corporate entity. A few bonds were bought. I am informed that as of today the government is preparing to phase-out the Alberta development fund. This is a lesson in part as to what may happen to an organization of that kind.

Referring back to the conflicting objectives that I pointed out were set out in the press release by the minister, I ask, in what sector of the economy will the CDC be more effective? Will it invest in the already more economically successful regions, or will it work under the regional incentives program of the government? If the dominant shareholders are to be government-oriented, and if the profit motive is to be the principal motive for the corporation, will not this corporation work at cross-purposes with regard to the regional incentives program of the government; or will it be asked to complement the regional incentives program?

We know that the regional incentives program is not designed to work in the economically strong areas where a steady rate of return on economic development may be readily anticipated. So I ask right away: Which shall prevail; the principle underlying the CDC, or the programs of the government such as those that are being put into practice by the Minister of Regional Economic Expansion (Mr. Marchand)?

Let me ask another question, Mr. Speaker, about CDC involvement in the development of major resource projects. As the minister told us a little while ago, this is to be done without outside participation. Can the minister tell us where the outlets will be? The minister, the government and anybody else can talk about funnelling investment into industry and about putting up facilities to develop resources, but unless the products of that economic activity can be sold or utilized you might as well shut up shop right from the beginning, because it will have been a useless exercise.

Let me refer to a classic example. United States and Japanese steel companies usually prefer to own their own raw materials in order to be assured of adequate supplies and also to participate in the profits of their own purchases. Both are classical reasons for vertical integration. The parliamentary secretary is from Calgary. He knows what is happening to the development of coal in our

province and in the neighbouring province of British Columbia. The aim is 40 million tons of coal to be shipped to Japan. There will be very little Canadian capital involved in that development. The project in British Columbia is financed by American capital. The one at Grande Cache is operated by a company controlled by Americans and extensively financed by the Japanese. The Japanese hope to put more money into this project in order to guarantee the quantity of coal that is required. The alternative would have been no development whatsoever. Thousands of jobs would have been lost. There would have been hundreds of millions of dollars a year less in our international trade. The alternative to foreign investment is to let the resource lay fallow. If Canada had denied these opportunities to foreign steel companies, they would have gone to other nations. There are competing sources of coal, iron ore, many other metals, oil, gas and other developments. Other nations would be more hospitable, and Canada would lose.

• (8:40 p.m.)

How is the Canada Development Corporation going to invest its funds? Even the Quebec general investment fund was not fully invested several years after it was established. That was a relatively small fund with apparently a great field for opportunity. It is only a fraction of the size of the CDC but already its record does not inspire confidence in this type of operation. A friend of mine, a highly placed executive in a major Canadian company, wrote to me the other day with regard to the CDC. I quote from his letter:

> "Mr Benson stressed that the CDC will be a source of large amounts of capital to create major new industries and to join with other companies in acquiring and rationalizing existing companies where competitiveness may be improved by merger, amalgamation and other corporate arrangements."
>
> I can't believe that the CDC board of directors is going to be any more able than the composite management of the present large companies to unearth these vast unexploited opportunities—

What sort of magic wand will the board of directors of the CDC be able to wave which will give it greater knowledge and understanding of investment opportunities in Canada than existing management? The only way this can be done is if they intend to rationalize existing companies. If rationalizing existing companies means mergers, amalgamations, etc., as indicated by the minister, there is something further the minister has not told us which is an absolute must. If he intends that to be a rational objective of the CDC, he has only gone half way. He has not told this House and the country that he and his colleague, the Minister of Consumer and Corporate Affairs (Mr. Basford), are planning wide-sweeping changes to the Combines Investigation Act.

If there are to be mergers, amalgamations and rationalizations, what about the risks from a combines investigation? I see that the parliamentary secretary is taking notes. This is a real problem. I hope that the minister or the parliamentary secretary come up with a logical answer, because it is a very dangerous problem in Canada for anyone to undertake a major reorganization and merger and then run into the problems of a combines investigation and possibly an order from the court to dissolve the merger and amalgamation. The CDC would look rather silly if it entered into some sort of policy to provide the funds for a merger and the court declared it to be illegal.

I now wish to deal briefly with foreign ownership. The minister has indicated that this might be an answer or part of the answer to the encroachment of foreign ownership in Canada. It was designed to maintain a strong, continuing Canadian control of companies. I suggest that a development corporation is a poor remedy. The very movement of capital both across frontiers and domestically should not be hindered by any government-sponsored pool of capital. The Minister of Finance (Mr. Benson) is confident that competent management would not make unrealistic bids to counter offers from foreign sources. I just wonder about that.

I am going to stop at that point because the minister has indicated that this corporation will not be a buyer of last resort. If there were in existence today a Canadian Development Corporation, how realistic would it be to think that the directors of that corporation would resist political pressure both from the public and the government with regard to Ryerson Press, Home Oil or a similar type operation that catches the public imagination or eye? This is a climate of inspired nationalism. I have listened to people who have become self-appointed experts in the media on the nature of the Canadian economy. They spend their time beating their Canadian chests to some sort of tribal chant about how wrong it is to receive American money. At the same time, many of them derive their livelihood, without protest, from the same source of capital investment.

• (8:50 p.m.)

What would happen if there were unrealistic offers from abroad or promoted sales within Canada? Let me assure you, Mr. Speaker, that in no time at all several members of this House could devise half a dozen to a dozen easy ways of puffing up a potential sale to foreign interests so we could then come crying to the public and asking to be saved. We would say to the CDC, "Be our saviour. Save our Canadian national identity for three, four or five greasy dollars". Because that is what they would be. After all, the puffery of the situation would only be accentuated by the emotional plea that may be made.

Frankly, I am amazed that people accept with an incomprehensible naïvety what a CDC could or might do and what it would be very hard for it to avoid doing. For a foreign company with competent management, worldwide outlets and unused facilities, the benefits of amalgamation could justify a far higher price than any CDC should pay. For instance, what would the CDC do with a national beer company? The advantages of a Canadian outlet to a United States company are evident. The closing down of duplicate facilities by combining production and sales forces, and I suppose reducing advertising budgets, are easily apparent advantages and we have seen this sort of thing happening.

Almost in Mr. Deputy Speaker's own riding, United States automobile manufacturers have an incentive to acquire automobile parts companies in Canada, as parts used by the manufacturers of new cars can be moved across the border duty free. That sort of thing has been done. Do we think that the CDC would be able, by merger or amalgamation and infusion of new capital, to meet the price that was offered by a foreign purchaser? It is difficult to see what a development corporation could do to check foreign ownership in most cases except by making an unrealistically high bid.

What I have said has been based on one underlying thesis, namely, the continuation of the present Canadian tax system or some modification of the white paper proposals, which as far as the Canadian is concerned is a deterioration of his position vis-à-vis foreign taxpayers, particularly the United States taxpayer. Let us admit that the big bogey man of foreign ownership is the United States. Nevertheless, the United States taxpayer is in a far better position, either from the corporation point of view or from the individual point of view, than his Canadian counterpart. We have only to look at the estate tax and succession duty situation to see what an invidious position the Canadian taxpayer is in. In this regard it is not only the government of Canada that has to bear the responsibility; I point the finger at the government of the province of Ontario as well as of the province of Quebec.

[*Translation*]

—and particularly at the province of Quebec in matters of succession duties. One would never believe that a provincial government would wish to stifle industry in its own province. It is not surprising that Quebec businessmen are willing to sell when they are offered a good price, and this on account of succession duties.

In fact, a very rough study of the situation reveals that parochialism has been perpetuated in that province for generations. Government authorities kill all initiatives to protect Quebec businesses.

[*English*]

One has only to watch what happens in the case of shares of Quebec corporations that are held by people in, say, the province of Alberta who have had no contact whatsoever with the province of Quebec. Although the corporation may be a national one with a registered office in the province of Quebec, the province of Alberta will insist upon its pound of flesh on the transfer of any shares. Of course, corporations soon found ways to get around that situation. All they have to do is to have a registered office listed with the transfer registry in Vancouver, Calgary or Winnipeg and transfer the head office. They will never learn, and that can be said of Canadians as a whole.

Last year we had the not so amusing spectacle of the Minister of Finance bringing in a brutal and savage increase in estate tax. This is now combined with a proposal for a capital gains tax. And we want to maintain Canada's ownership of our business enterprises. Let us not laugh, Mr. Speaker. The situation is so tragic that it makes one wonder just what sort of logic is at work in the Department of Finance to propose these companion measures, followed by this proposal to establish a Canada Development Corporation.

The government claims it will be able to entice the public to invest in the shares of CDC. I would ask, how? There are two reasons for an individual investing. First of all, if there is a growth stock which offers opportunity for capital appreciation. However, with a capital gains tax, followed by a highly aggravated estate tax, what would be the advantage of investing in a potential growth stock? So I would say that principle would be negated. Certainly there is no encouragement offered Canadian investors, unless it be a corporate investment, so far as estate tax is concerned.

• (9:00 p.m.)

The other thing is that there shall be a record of dividends. Where are the dividends going to come from? Are they to come from the developments, as the minister indicated? I am sorry I did not have time to take copious and sufficient notes, but there was something said about different operations which might not be able to attract capital but might have great potential, for instance, in the development of natural resources and the development of the north. All of these are long-term potential. I am not decrying the possibility of returns on the development of natural resources, the north, new frontiers and many inventive ideas of Canadians, but these ideas all come within the long pull and it is not with this long pull that one builds up a record of dividends. Where is the money to come from to pay these dividends? I suppose that is why Polymer, Eldorado and Northern Transportation are being pulled in and turned over to this Canadian Development Corporation.

Is the $13 million that Polymer made last year, which was paid into the Consolidated Revenue Fund, going to be used as the milk cow to provide the dividends for these corporations? If there is capital to be left over to these Crown corporations which are to be turned over to the Canada Development Corporation, where will the money come from? What are these corporations going to use for expansion and diversification such as Polymer has done, and as I suggest Eldorado and Northern Transportation may want to do? What about the financial requirements of Pan-Arctic, which is of a very different class? Pan-Arctic will not pay dividends for quite a long time. Who is going to provide that company with its cash source? Will the government provide this capital through some other procedure, or will Polymer have to come to the government for its expansion capital requirements?

It will not be the board of management of Polymer which will then control the affairs of that company. The owners will be the Canada Development Corporation and it may have a counter policy in many instances. Which authority is going to prevail? This is a question to which I would like an answer. This is indeed a strange business, bringing Polymer and Eldorado into the fold.

I have an article before me which was written in June, 1966. The author was a gentleman by the name of Edward Cape. I do not know whether at the time he was

particularly privy to the ideas of the former Minister of Finance, now Secretary of State for External Affairs (Mr. Sharp), or that he had been particularly privy to that former misguided Minister of Finance who is no longer here. In any event, it is amazing to read some of the ideas that were presented at that time, just five years ago, in respect of the Canada Development Corporation. Apparently Polymer was still to be a source of money at that time and the old 3 per cent limitation on holdings, as we note now in the bill, was then a feature. But I would like to know what made the government change its mind in regard to this feature in the present bill. This article reads in part:

> The first and small board of directors of CDC would be appointed by the government from among the most unquestionably independent and successful industrialists and financiers it could get.

Oh, what a hope! I am referring to the first plan. The parliamentary secretary had better listen with greater interest than he apparently is now. The article goes on to state:

> After the initial issue of CDC shares had been sold, the shareholders themselves would elect a board of directors of eight, of which the government would elect only one. If and when the board grew to 15 or more, the government would have the right to elect two of these, but no more, and never the chief executive.

Now, five years later, we have a different version. The chief executive will be a government appointee from the government service, if we are to understand the rumour and believe what we read. Shares were going to be sold right from the outset and the shareholders would elect the board of directors. There has been a complete reversal. The minister tells us that they are not going to sell shares to the public right away. The government is going to exercise the option to name four directors in lieu of voting of their shares, and name all the other directors.

The government's holdings may be 10 per cent in order to give the government necessary leverage. Of course, the holdings initially will be 100 per cent. There is one thing that I see is missing from the bill but which seems to have been at the root of the other plan. I should have thought the minister might have found this attractive. There was to have been a provision in this bill to prohibit the government from selling its shares over a short period of time, in other words, unloading a lot of its shares. The article continues:

> Without such a provision, the CDC and the value of its shares would be under constant threat of being undermined, and the institution would not be fully protected against de facto government control.

I hope the minister has taken note of that, keeping in mind that if the corporation were to sell a lot of its shares it could thereby substantially decrease the value of public ownership. The de facto government control would exist as a result of the government suddenly unloading its shares. It could decrease the market value of those shares so as to hold the other shareholders at ransom.

I have many more questions and should like to devote more time to them. I should like to offer an alternative proposal, as my leader has done. Briefly, let me outline what I think might give greater hope to Canadians and to Canadian industry than will be given by the Canada Development Corporation. First of all, the government must obtain something like $250 million in cash. It will have to sell bonds. All the money it passes over to the Canada Development Corporation will come out of the Consolidated Revenue Fund whether it be by loan or by purchase of shares in CDC. Governments get money by going to the market. They compete for individual holdings, go to institutional lenders or obtain moneys from chartered banks. The banks are able to buy these bonds and there is a question of what is the affect on inflation by the consequent increase in bank reserves. That is item No. 1.

• (9:10 p.m.)

Item No. 2 involves the question of competing with the individual investor. The net result is that if the investor puts his money into CDC shares as against putting it into other investments—equity investments in Canadian enterprise—there is no gain whatsoever for the country. I should like to see, first of all, an undertaking by the Minister of Finance that something very drastic will be done to lower our estate taxes. Secondly, I should like to see an undertaking by the Minister of Finance that he will arrange to meet with his counterparts in the provinces to do something about their share of estate and succession duties, because they too have a responsibility in this regard. Then let us look at the taxpayer himself to see, with regard to Canadian investment, whether there is nothing more that can be done for him.

The other night the Minister of Energy, Mines and Resources (Mr. Greene) gave us a clear look at the picture of Home Oil which showed that not only the Canadian individual taxpayer but the Canadian corporate taxpayer was in a position inferior to that of the United States taxpayer, whether corporate or individual, when it came to acquiring control of Home Oil or any other Canadian company, or when it came to carrying on activities of the kind carried on by Home Oil.

No wonder Canadian buyers are scarce when it comes to making a competitive offer. Canadians cannot even begin to match the United States offer because taxwise it is not possible for them to do so. Yet it is expected that Canadian investors, hobbled by an extra ball and chain on one ankle and possibly with an arm tied behind their back, will go into not a combat but a competition with United States investors for the development of Canadian resources and for Canadian companies. The struggle is totally unequal and we are now seeing the results of that inequality of position. Yet the government's idea for tax changes is likely to produce not one ball and chain but a ball and chain or the other leg and perhaps a rope around the second wrist to fetter the Canadian investor even more than he has been in the past.

We have been living in a fool's paradise based on what we thought was our economy and overloading it with a superstructure of government services which just could not be supported by the economy in that state of devel-

opment, and we want to continue loading it on and pumping away faster than we can provide the water in the well. It is as though we were trying to pump out more water than is flowing into the well and, naturally, the level has been going down. Now because it is becoming perilously close to the bottom with regard to some industries, cries of alarm are going up. But we have been doing that to ourselves all these years, and the government comes along without, as I say, a policy as to foreign ownership, without an industrial development policy and we are asked to approve the plan of a Canada Development Corporation as it is before us.

Mr. Speaker, I have been very critical of this proposal, basically because of these things. I am not involved at all in the question of the degree of foreign ownership that should be allowed, nor the degree of economic nationalism that should be rampant today in Canada, because what I am doing is criticizing something that has come out of the blue and which so to speak has been placed here in a vacuum. We are asked to accept it as the instrument which will cure, what? We do not know, Mr. Speaker, because the policy has not been disclosed to us.

I suppose this bill will take some time in the House and will take much more time in committee. Perhaps by the time the public gets to hear of it and has an opportunity to read it, we will have the report being prepared by the Minister of National Revenue (Mr. Gray) which will give us an inkling of the government's thinking in respect of foreign ownership. I would think now is the time for the Minister of Finance to recast his thinking with regard to the tax plans he is to divulge in late April or early May, so we would know what is to be the position of the Canadian investor and what kind of a taxpayer he is to be. On that basis, all I can say is that we will take our time with this bill because there are a great many questions to be asked and as many answers to be given to us before we can accept it.

Mr. Max Saltsman (Waterloo): Mr. Speaker, after waiting eight years for a Canada Development Corporation we finally have a bill before us. The big question, of course, is why the government bothered, since it really is not much of a bill and I will not have very much to say in its favour. This needs a note of explanation since the New Democratic Party has for many years been in favour of a Canada Development Corporation.

The bill before us, however, falls far short of what we think is required in such a corporation. We look at this bill and all we can see is a gesture for propaganda purposes. It seems to be designed to undercut the growing concern that has taken place in this country with regard to foreign ownership. It seems to be designed to lull the people of Canada to sleep. It is satisfying that the build-up in this country is to the effect that we are in a desperate situation and something is required. So the Liberal party has given the people something. But unfortunately that something winds up being nothing but a deceitful joke and little more than a mirage held before desperate public opinion.

We have been told, perhaps more than we have been told other things, of the things the bill will not do. We have been shown the negative aspect of things. There has been a great defensiveness on the part of the minister in reassuring everyone in Canada of the things the bill will not do. It is not going to buy back Canada. He makes an argument on that, but nobody has really asked to buy back Canada. What we are concerned about is the future, and certainly we cannot do very much about the future with the kind of bill the minister has introduced.

• (9:20 p.m.)

Prior to the formation of the CDC there must be a definite limit on foreign ownership in this country. One of the reasons Canadian industry has been sold out is that we do not have laws limiting foreign ownership. In the absence of those laws, the advantage is always with the foreign buyer for whom it makes more sense, and is more profitable, to buy a company and integrate it into an international corporation than for Canadians. Contrary to what the previous speaker said about our tax laws not encouraging a sell-out, tax laws have encouraged a sell out; but probably he would not admit to it.

It has probably been the absence of a capital gains tax in this country that has contributed to the selling out of Canadian businesses because there is an enormous advantage under our present tax laws, under which capital gains are not taxed, for a company to sell out, to take their money and not pay any tax on capital appreciation. Had we had a capital gains tax in the past, the problem we are facing today might not have been as severe. So I am suggesting that we need a framework and definite limits on foreign ownership in order to make any kind of system work, particularly laws regarding the level of foreign ownership in our country.

It strikes me as one of the strange things in our society that those most opposed to limiting foreign ownership in Canada are Canadian businessmen. One has only to look at the representations made by spokesmen for Canadian business when they come before our House of Commons committee to see how determined they are that legislation affecting foreign ownership shall not be passed. There are exceptions. Walter Gordon and some of the Toronto-Tory nationalists had other points of view on this. The reason is simply that if you limit foreign ownership, you cut down on the number of opportunities and the number of customers available for business to be sold to.

When we talk about the Canadian businessman being concerned about the national interest, we should not kid ourselves about it and perhaps we should not expect it either, because they are the ones who have felt that in the interests of the profit motive we should have the kind of economy we have today—that there should be no limit on foreign ownership or on the opportunity to pursue profit motives.

One of the other things that this bill specifically excludes is assistance to small companies. I do not know why the Minister of Finance (Mr. Benson) had to go to

the great lengths he did in order to point out that it is not the intention of the CDC to lend money or to involve itself in corporations whose capitalization is less than $1 million. I am not entirely clear what that means. Does it mean the investment of the CDC plus the existing capitalization of a company, or does it mean that the company itself has to have capitalization of $1 million?

Large companies in Canada do not seem to have any trouble getting money, so why is the CDC concerned about helping corporations which already are in a position to obtain finances? Certainly they are in a much better position to get their financing than are smaller Canadian companies—and it is really the smaller company, the innovator company, whether it is a drug company or a scientific research company, that is having this difficulty. If we are thinking about the future, surely these are the companies about which we should be concerned. Yet they are the very companies that the minister is excluding from CDC assistance.

Let me illustrate this point with an example of how unfair the CDC will be to such companies. On February 2, 1970, a news story appeared in the *Financial Times* headed "Wanted: Industrial Sponsor for DRB's New Gas Laser". The research branch had developed a laser that had commercial application. Since they were not in a position to develop it themselves, they were looking for someone who would undertake to put it on the market. Canadian Patents and Developments Limited therefore called on companies to indicate that they are prepared to do this. Two small Canadian companies were selected for this purpose.

I called the department to see how they were getting along and what kind of progress was being made with this laser which had an enormous potential. My understanding is that the companies are working hard on it but are severely hampered by lack of capital. These companies do not have $1 million themselves; they fall far short of it. As a matter of fact, probably all they have is the ingenuity of their owners, their talent and brains. But because of the way the bill before us is written, these companies with enormous potential, the very companies we should be helping, will be excluded from any help at all. I find it difficult to believe that the government will be in a very strong position as long as it insists on keeping this particular clause in the bill.

The minister has gone to great pains to indicate that the CDC will not be a Crown corporation. Over and over again he said that it will not be responsible to government and will not be under the direction of government. Yet in some ways it will receive guidance from the government. In some ways it is supposed to act in the national interest. I have been trying to fathom out the chain of communication. Either the minister is misleading us, and I would hate to think he would do such a thing, or he intends to exercise very strong control over the policies ot the CDC. If that is not so, then I think it is pointless. What is the point of the whole thing? It is so pointless that the story is going around—some of the news stories that have been written and the analyses made indicate this—that it will be virtually impossible to obtain the kind of management that we should be getting for the CDC because any sensible businessman, faced with the kind of contradictory terms of the proposed corporation, would not undertake to carry out those terms.

If you tell a manager that the purpose of your corporation is to act under the direction of the government in policy matters as defined by the government, he knows what to do. If you tell him that all he is supposed to do is just make profit, again he knows what to do. But when you tell him that he is supposed to make profit but he is also supposed to act in the national interest, no such person will be found because I do not know how anyone can operate a company in this way. Therefore, this legislation is unfair and unworkable and the government will have to change its terms somewhere along the line if it is to have any purpose at all.

This afternoon when the President of the Privy Council (Mr. MacEachen) was arguing the point of order before the House, he dug up two examples of Canadian corporations which started out as private companies. They are both very bad examples for the future of the CDC. In one case he mentioned the CNR when attempts were made to keep it in private hands. Eventually the government had to take it over, in the national interest.

• (9:30 p.m.)

In the other case they started off with the Bank of Canada—in some ways the history of the Bank of Canada is quite similar to the CDC—and they were going to offer shares to the public and bring in people from the banking industry to sit on the board. That became unworkable, in fact absolutely impossible because the purpose of the bank was to serve a national interest and the purpose of the people being put on the board was to make a profit. The two things could not be reconciled. This country has never looked back on that situation, and whether we like public ownership or not I think everyone agrees that the Bank of Canada should be as it is today. Over the years it has become increasingly clarified that the bank is an instrument of, or a response to government policy, and could not be otherwise.

The minister also says that the government will not try to control company policies and that the government is just going to be an investor. I would think that control is more important than just putting money into the corporation, because sometimes if you are concerned about national interest you need to have a say in the policies of the corporation. You do not necessarily need control, but you have to be in a position where if the board are not acting in the national interest, you have a say. The minister says he does not want to do this, that he does not want to interfere with the management of the company. But what assurance has he that the companies he will want to invest in will respond to the national interest? If the corporation is not going to do all these things, then what is it supposed to do? The one message that emerges most clearly is that it is supposed to make money. Over and over again we are told that the CDC is supposed to make a profit.

Let me make it clear that I think there are many areas where profitability is perhaps a reasonable approach, a

reasonable objective, that there are a lot of things that the market system can do fairly effectively. But there is no evidence, and there never has been, that the profit motive and national interest are the same thing, except perhaps to hon. members opposite. After all, this country has been guided by the profit motive from its earliest times. How much did the profit motive do to prevent the sell-out of Canadian industry? We are faced with today's problems because of the profit motive. The minister cannot correct the deficiencies that have arisen by creating another corporation which has a profit motive: it cannot be done. Are we so short of mutual funds that we need this? Really that is all the minister is proposing, the establishment of a mutual fund in which an individual can invest $5. We have lots of mutual funds. There is no evidence that we are short of mutual funds in which Canadians may invest. That is not what we need. We need something else. We need something that will act as an instrument for Canadian government policy and secure Canadian objectives. You cannot do this with a corporation primarily oriented toward profit.

The minister hopes the pursuit of profit will accomplish his objectives. We find it difficult to go along with that. What we really need is a corporation that is prepared to take the kind of chances that other corporations have not or will not take. Let us leave the safe investments to others. That is not our problem. Let us take the chances. In a way, what has happened in Canada has been due to the failure of the entrepreneurial spirit. We have been too cautious. Now the minister proposes to set up another corporation to continue in this grand old tradition of caution. That is not what we need.

We need a corporation that takes into account the deficiencies of our market system. I for one, as I have said earlier, believe there are some things the market can do fairly effectively. We will leave those things to the market. There are other things the market cannot do, and this is the role for a Canada Development Corporation. If we do not do it through the Canada Development Corporation, then who will take care of the difficulties that will arise because of the market economy?

The second major point that the minister makes about the corporation is the need to rationalize industry. I would not disagree with the minister. This is a worthwhile objective. The Canadian economy is desperately in need of some instrument for putting companies together in new forms and combinations to improve their efficiency. But one of the difficulties is that it is probably too late to deal with major companies in the manufacturing field where the problem is greatest. The problem does not exist so much in the resource industries; it is mostly in the manufacturing industries. The reason it will be difficult to do this in the manufacturing field is that most of the companies are now U.S. owned. How does the minister propose to rationalize them in Canada when they are not rationalized anywhere else around the world? He will have to do a great deal more in the area of rationalization than just make the kind of references that are made in the CDC bill.

How can we undertake any kind of rationalization out of context with government policy? As a matter of fact, if we had the right kind of government policies we would not have to use the CDC for this purpose. Let us accept the idea that the CDC would be appropriate in some instances to accomplish rationalization, to prevent Canadian companies from being sold out, to put them together in new combinations—but it will be difficult in the absence of other government policies.

I said earlier that one of the reasons Canadian companies sell out is that it is more advantageous for foreign corporations to buy them than it is for other Canadian corporations to acquire them. What will happen if the minister does not have laws restricting the sale of Canadian companies to foreign corporations? Will the Canada Development Corporations keep bidding up and up to match the extra advantage possessed by non-Canadian companies? I do not think this is what the minister has in mind. I hope we will get a great deal more explanation of what he means and proposes with respect to rationalization.

To watch the government, Mr. Speaker, one would think we did not have any problems. To watch the government one would think its members had never read history or learned the lessons of history. We have a number of examples where attempts have been made to combine what is generally called the public interest with private profit. In Quebec the GIC started off on this line and has run into a great deal of trouble. In fact, the price of its shares has dropped substantially and there does not seem to be any further talk of putting more shares on the market. The GIC has done some good things in terms of public development, but it has not been able to combine public development and public interest with profitability to shareholders; and I do not think the federal government will have any more success in that direction.

We had another example in Telesat Canada. It was set up on a troika arrangement, with one third of the shares held by the government, one third by the common carriers and one third to be offered to the public. Shares have not yet been offered to the public and Telesat has not got off the ground. In fact, in a recent report the Telesat chairman said that the board was having difficulty because of the internal contradictions that exist in that kind of arrangement. Telesat could have fulfilled a purpose in national development, but it cannot do that when it has to take into consideration the interest of the private investors and of the other people associated with it.

In his opening remarks the minister made a brief attack on the NDP, saying we want to nationalize everything and take everything under our control. This is not what we are saying. We are quite prepared to see the CDC act in consort with others. We are quite prepared to see the CDC engaged in the development of private corporations, even with non-Canadian corporations. This must be clear. In these circumstances, I wish to move, seconded by my hon. friend from Vancouver-Kingsway (Mrs. MacInnis):

Canada Development Corporation

• (9:40 p.m.)

That this bill be not now read the second time but that this House affirm that there ought to be established a Canada Development Corporation which should be a Crown corporation directly responsible to Parliament through a ministry, so that this said corporation might serve the Canadian people by increasing Canada's independence and by planning and developing regional and economic industrialization.

We believe the object of the CDC should be to mobilize funds and channel them into investments serving the interest of Canada as a whole, the money to be raised by selling bonds on the market and requiring all financial institutions to allocate part of the saving collected from the Canadian people to national development. When the Minister of Finance took exception to this position of ours, he forgot that the government already takes a similar position in the case of the chartered banks. Fifteen per cent of their deposits are already under the direction of government whether by way of farm improvement loans, government funds or student loans. In these circumstances, should not all financial institutions in this country be required to serve in some way the national purposes and priorities of the people of Canada? We believe that all the moneys now being paid out to industry under the various industrial incentives, defence, research and development programs should be allocated as capital to the CDC.

The government seems to show no hesitation in applying a little Socialism to private industry. Giving out money to industry does not bother the government; that is not Socialism! But when we talk about taking these funds and channelling them through the CDC it becomes Socialism because the people of Canada might benefit more directly. There are occasions when it makes sense to give money to industry either in the form of loans or even in the form of forgiveable loans.

The difficulty at this moment is that we have no choice as to the course we should take or, at least, we have not been allowed to make any choice. We cannot decide whether it would be better to establish a Crown corporation or not. All we can do is give away money and hope that by such a program we can exercise some influence on the pattern of industrialization. In my view, this process is much too uncertain and much too unfair to the taxpayers of Canada. Over the last five years more than $750 million has been given out in this way with, I might add, negligible results. Many of the provinces are moving in the direction we are suggesting the government should move. We are prepared to help industry but we also want something in return for our participation. In other words, we are not prepared to take all the risks without sharing the potential profit. We shall share the risks but we also want to share the profit, if there is one.

We believe the CDC should be used to expand the public sector of the economy where necessary for the growth of the economy, for national planning and for increasing Canada's independence. This will normally be done by the creation of Crown corporations. However, the CDC may also enter into consortium arrangements with private concerns where it has or can acquire effective control. The use of Crown corporations in Canada is not new. On many occasions we have used Crown corporations in the national interest. If we do not use Crown corporations now, as occasion arises, we should certainly be offered the possibility of setting one up should the private sector not provide the results we require.

The CDC should act always as an instrument of government policy and development policy and be directly responsible to Parliament through a minister. It is too easy for the government to slough off responsibility for the CDC and say, "This concerns private investors. We have nothing to do with it. We have set it up and the corporation is on its own". This is an evasion of government responsibility; it avoids the necessity for planning and explaining what the corporation is doing. We believe the CDC ought to be an instrument of national planning and that it should be responsible to the people of Canada through Parliament; its decisions should be subject to scrutiny by the House.

In our view, the CDC should be involved in regional development policies with provincial bodies and agencies in order to ensure that every part of Canada capable of supporting viable development is extensively involved in the industrial future of this country. We believe the CDC should finance and develop new initiatives in research and scientific and technological development which will increase the ability of Canadian industry to specialize and compete in world markets.

Report after report indicates that we have failed to make full use of the funds allocated to science in this country. The reasons, I suspect, are that first we have not understood what our priorities should be and, second, our efforts have been so diffused as to be ineffective. Establishment of the CDC brings us an opportunity to intensify scientific research in areas of prime importance to the nation. The CDC should be used to assist companies and individuals to fashion economic opportunity out of inventiveness and to ensure that Canada derives the benefit therefrom.

All this would, of course, make the CDC a giant of an organization. Even the government has realized that it must be of substantial size. The CDC we envisage will go beyond that contemplated by the government. We visualize the CDC being used more extensively for the development of national purposes in an era of international, giant corporations. The only way in which we in Canada can counter their intrusion into our economy and compete with them is to form a large one ourselves. Enormous advantages attach to this kind of corporation in a modern society. It carries out its own research, arranges its own financing and its own marketing. One of the most outstanding failures in the Canadian system is the absence of a large marketing organization. These facilities should be at our disposal and they should be used at the direction of the government.

It is best to leave the profit making to the private sector. Let the private sector do those things which are not of national urgency. Let it do some of the more frivolous things and provide the more frivolous goods. In the most important areas of development, the private

sector has obviously failed. We would not be talking about setting up a CDC had the private sector succeeded in keeping the economy Canadian, had it preserved the national identity. We are engaged in this debate because of the failure of the entrepreneurial system in the private sector. The role of the CDC must therefore be to make up for that deficiency and to act where the private sector is not able or willing to do so.

• (9:50 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, while listening to the hon. member for Waterloo (Mr. Saltsman), I realized how far I could be from state socialism. The hon. member moves an amendment because, according to him, the bill is not consistent enough with socialist principles. As for me, I would be almost ready, for that reason, to move an amendment because I believe the views of the hon. member for Waterloo on this bill greatly differ from mine.

Mr. Speaker, in such circumstances, one should remember the old saying: He who pays the piper calls the tune.

Bill C-219 provides for the establishment of a powerful corporation according to the hon. minister himself, and I thank him for having circulated the text of his speech before delivering it in the House. The hon. Minister of Finance (Mr. Benson) said tonight, and I quote:

> The corporation will be expected to work very closely with other members of the Canadian business and financial community and to give Canadian firms access to greater capital concentrations—

It is quite obvious that in introducing such a measure, the government has in mind the establishment of a monopoly, not only to have greater control over capital and investments, but also to guide Canadian production. In fact, nearing the end of his speech, the minister said:

> Its capitalization will allow it to become one of the largest Canadian corporations.

That corporation will become the greatest monopoly in Canada. If such a law were applied by a liberal government, it might not be as bad as one would believe, but it will be, when applied by Fabian socialists. We have noted since this government came to power in 1968 how the Prime Minister (Mr. Trudeau) was prompt to assign important duties to clearly leftist men. With that kind of force, by putting the filler hard over to the left, this government has steered the Canadian administration on a precise course.

Even if bills like this could seem not too important, not of great consequence at first sight, we know how these men are going to implement it. We know what kind of control this bill will enable them to have on the economic activities of this country. This bill is introduced allegedly to check the flow of foreign capital, and mainly American capital, on the market. One fact remains: too many of our industries and businesses belong to foreigners. I have here an article published in *La Presse* on January 20, 1970 and entitled: "Foreign capital has taken over more than 1,000 firms in ten years". And I quote:

Canada Development Corporation

> Although the taking over of Canadian undertakings by foreigners—namely Americans—is causing in this country more and more opposition, the number of small businesses taken over by foreigners without causing as much furore as the famous cases of Denison and Ryerson Press is increasing day by day.
>
> Since 1960, over 1,000 Canadian undertakings have quite simply become foreign companies located in Canada.
>
> Lats year, the Americans alone spent over $222 million to purchase 104 Canadian firms which brought total American assets in Canada to $34.3 billion and the number of foreign-controlled Canadian companies in excess of 8,000.
>
> In 1967, last year for which statistics are available, 26 per cent of the total assets of the firms in Canada belonged to foreigners.
>
> Through concentration of property, foreigners were able to control 58 per cent of our manufacturing industry in 1966, 63 per cent of the mining and smelting industry and 71 per cent of the oil and natural gas industry.
>
> As early as 1964, foreigners controlled over 90 per cent of some specific industries: car and aircraft manufacturing, tobacco, rubber and petroleum products.
>
> How can this situation be explained?
>
> Mr. Max Goldhar, an investment counsellor in Toronto, is a man whose job is to find industrial concerns up for sale and to sell them to foreigners. Such a situation, he thinks, is not due to our businessmen, or manufacturers or tradesmen, but rather to our financial circles.
>
> The people who are really to blame, he says, are those who control funds, those who could provide our business men with the capital assistance they need, but will not do it.

I shall end here my quotation of this very interesting article, which definitely proves that far too many foreigners control our industries and trade. Anyway, will Bill C-219, entitled "An Act to establish the Canada Development Corporation", prevent foreign manufacturers from investing in Canada and buying Canadian industries? I do not believe it will, and I am not the only one to think so.

On resuming my speech, I shall suggest to the government a solution based on factual data.

As I started my speech late tonight, may I call it ten o'clock?

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I would ask the Minister of Finance if the government intends to continue with this piece of legislation tomorrow.

Mr. Benson: Yes, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

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

GRAIN—SUGGESTED AMENDMENT OF REPAYMENT FORMULA UNDER PRAIRIE GRAIN ADVANCE PAYMENTS ACT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, the question I wish to raise tonight has to do with amending

the repayment formula under the Prairie Grain Advance Payments Act. I originally raised the question on Wednesday, February 10, as recorded at page 3248 of *Hansard*.

I place this question before the minister, for consideration, in all sincerity and all seriousness, hoping that my appeal will not fall on deaf ears. The critical shortage of cash in the west, as a result of depressed farm income, is strangling the economy of the rural prairies. It is destroying the spirit of those engaged in agriculture. It is creating uncertainty for spring planting operations. It is creating apprehension among the rural merchants upon whom most producers rely for credit, particularly since many have not been able to discharge last year's debts. The Farm Credit Corporation is badgering, foreclosing or threatening to foreclose. Banks are pressuring for payment. Some are renewing notes at exorbitant rates of interest and among the population the feeling of helplessness, anger and frustration is rapidly developing.

• (10:00 p.m.)

I recently mailed out a questionnaire seeking opinions and guidance on current farm policy. I wish to report to the House that the response indicates that the climate is not too healthy: all is not well. The majority of replies carry with them a message of downright apprehension, disgust, frustration and in some cases a note of militancy. With Your Honour's permission, I wish to record extracts from some of the letters I have received. The first is from a farmer in the Minburn, Alberta, district who writes as follows:

> I am a farmer in your constituency and up till the past year I have been able to keep my mortgage payments paid up to date but owing to the new quota system and the very low price for hogs I have been unable to pay my last year's mortgage payment and now they are foreclosing on me. Is there anything you or the government can do to stop things going on like this?

The next is from a farmer from Vermilion, Alberta:

> Through no fault of mine I have gotten into debt along with hundreds of other people.
>
> I have been paying on these debts every year all I could, as well as living expenses for my family.
>
> We are being showered with threatening letters. They have added 12 per cent interest.
>
> We do not want to be forced off our farm and into the ranks of the unemployed and homeless.
>
> The worst creditors are the banks and wealthy companies.
>
> Is there anything being done about some protection for debtors?

The next is from St. Michael, Alberta:

> If the government doesn't change its policies and stays in power for a couple years, all the smaller farmers will go broke. Up till now the quota for wheat is opened to 4 bushels. I can sell 308 bushels of wheat. My tax is $350. How can I make a living on a farm?

A reply to my questionnaire from Smoky Lake, Alberta, reads:

> I feel that the present Liberal government has blundered enough without recommending any more changes. Mr. Trudeau's government has done nothing but harm the rural people by its meaningless changes in legislature. One example is the cancellation of the quota system. That's where the small fellow gets hurt the most. In other words the present government has given the farm people nothing, nothing and more nothing—

This is an example of the feeling of the people in my constituency. Why has this situation developed? It has developed under the maladministration of this government and its lack of concern for rural Canada. We have achieved some new records under this administration.

I now wish to deal with net farm income. In 1967 the total net farm income in Canada was $1.65 billion. The prairie region recorded better than 50 per cent, $951 million. Today that figure has dropped to $444 million, the lowest in 15 years. When we take into consideration the value of inventory changes, we see a real net income in the prairie provinces of $174 million. That is less than $1,000 per farmer in the prairie region. When we consider the inflationary factor in relation to that which was given in 1955, 15 years ago, it is worse than the depression.

In the October issue of "Canadian Farm Economics" we find that for the first time in Canadian history, Canada recorded an agricultural trade deficit of $35 million. These are the kind of records the government has achieved. With regard to the implications for the future, it reads as follows:

> Will Canada be a net agricultural importer in 1970 and 1971? The answer is a tentative "no", but for the longer run, the outlook is less clear.

It further states—and this is the attitude of the government:

> There is nothing inherently wrong with a country's being a net importer of agricultural products. In fact, on the basis of an efficient allocation of the available domestic resources, many countries should accept this situation as an economic reality.

I submit this in shameful, disgusting and downright senseless. When we relate this dismal performance to the actual producer, who is the victim, we find that in Alberta, for example, which has fared a little better than the major western provinces, his annual income is $1,325. This is deplorable, worse than the depression. Out of this the producer must pay taxes, fuel bills, his fertilizer bills, his Farm Credit Corporation loan, his farm improvement loan, his bank note and his additional operating expenses.

For this reason I appeal to the minister to give consideration to an adjustment of the repayment of cash advances. Since my original submission, and after some research and study of the matter, I now have no choice other than to recommend that the minister propose a full moratorium on the repayment of cash advances until such time as conditions improve. Surely this is not asking too much. It would not be a hand-out but merely an accommodation. I submit that this extension would provide a temporary measure of relief, a stop-gap if you like. I know the minister will answer by saying we are going to adopt the grain stabilization proposal. I suggest this would only be adding insult to injury. It will take another 3 or 5 per cent off the gross receipts, which is more like 12 per cent of net receipts.

Mr. Horner: Fifteen.

Mr. Mazankowski: Maybe it is 15. Therefore, I plead with the minister to give this matter consideration.

Hon. Otto E. Lang (Minister responsible for the Canadian Wheat Board): Mr. Speaker, the hon. member has made a specific suggestion which would do very little good, perhaps, for some farmers; namely a moratorium on or postponement of repayment of cash advances made to farmers. However, at the same time it would act in ways which perhaps would not be particularly desirable from the point of view of the whole program. It would help some farmers who in fact might not need that particular form of assistance. With the very high quotas on barley and the free movement of rapeseed, there are different situations arising all across the Prairies. None the less, I would point out to the hon. member that such a proposal would require a change in the legislation. It may be that before long this legislation will be before the House, and then we can look at all aspects of the matter with some figures in our hands.

The hon. member referred to the apprehension and frustration of farmers in the prairie region, and there is a good deal of it there. A good deal of it was put there by opposition members who spent all their time, in very partisan fashion, attempting to gain every possible political advantage instead of trying to advance the knowledge of the farmer in regard to the programs that are afoot. The farmers in the prairie region who in fact are in the most difficult situation are those who listened to hon. members opposite, the Tory and NDP members, who instead of explaining to the farmers what the LIFT program was about last year, told them to ignore it—to their financial disadvantage.

This is the sort of misfortune that has befallen the farmers on the Prairies as a result of the partisan attitude of hon. members opposite. I have implored them before, and I implore them again, instead of this partisan campaigning to acquaint farmers with the very many programs the government has implemented, more than have ever been attempted in years gone by. Let them be understood and made effective throughout the prairie region for the good of all farmers, particularly for the small, family farmers for whom we feel so deeply.

PUBLIC SERVICE—REVIEW OF STAFF RELATIONS ACT—CONSULTATION WITH EMPLOYEE ASSOCIATIONS—REFERENCE TO COMMITTEE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, this is the second time in recent weeks that I have been prompted to speak about the smouldering resentment within the public service at the government's lethargy in coming to grips with the serious problems stemming in large part, I think, from the blatant inadequacies within the Public Service Staff Relations Act. I speak again tonight because there seem to be some contradictions in the replies I have received. The President of the Treasury Board (Mr. Drury) said in the House on November 27:

> The government is now reviewing the Public Service Staff Relations Act.

That seemed a definite enough statement. But on December 9, the Prime Minister (Mr. Trudeau), in a written reply to a similar query from the professional institute, said in part:

> When a decision is taken to initiate a review of this legislation, your organization ... will be given every opportunity to present its views on the matter.

• (10:10 p.m.)

At least we might be excused for being somewhat confused when a senior minister of the Crown states boldly that a review is being currently undertaken, when in contrast the first minister indicates that a decision might be reached to initiate such a review. While we cannot accuse these ministers of outright misrepresentation, at the very least I think this indicates another situation where the right hand does not know what the left hand is doing, to coin a phrase.

As a result of this non-premeditated confusion I asked for clarification on January 29, of the President of the Treasury Board, and lo and behold I find another minister is now in on the act, none other than the wheat farmer's friend, the affable Minister of Manpower and Immigration (Mr. Lang). It seems now he replies to the Commons for the Public Service Staff Relations Act. I was advised to consort with this minister for clarification—a consortation, I might add, that I did not find at first impulse particularly appealing. But while waiting my turn during the daily athletic, free enterprise session known in the House as the oral question period, a press release from his ministry appeared miraculously on my desk.

This press release, after a suitable and comfortable-type preamble, indeed confirmed that the Public Service Staff Relations Act is being reviewed. Will there be a public review? The answer is no. Will there be an opportunity for consultation with the affected sections within the service? Again the answer is no.

A three-man group, including some very reputable people, has been named, according to the minister's February 12 press release. This group is to examine written representations and to—get this—report directly and privately to the minister. It is interesting how this government works. If there is some political mileage to be made out of an issue, we have all kinds of very active and interesting operations of the government including a travelling circus, committees, white papers, task forces and so forth. On the other hand, if there is a possibility of real controversy or a possibility that the examination of some government furtive activity might prove embarrassing, the government comes up with a group or a committee to report directly or secretly to the minister.

What the people in the public service really want to know is as follows: What will flow from the group's report to the minister, and will the minister respond to it? At present there is no government commitment to do anything at all about the group's report. MPs want to know, and so does the public service, whether there will be amendments to the Public Service Staff Relations Act.

Will these flow from the report? Will the report be examined publicly by the appropriate standing committee of this Parliament? Will the group recommend changes in, for instance, what is arbitrable and things like classifications, check-offs, time off for union activities, and so on? Will a thorough examination of the entrenched management rights contained in section 7 be revised in an enlightened and progressive manner in terms of shared decision-making?

Management holds all the marbles at the present time. The public service can go for Collective bargaining and gain a particular kind of contract, then the government can and does juggle the classifications so that the contract is useless. The whole thing is a farce. Are these things going to be examined and changed? These are the questions we ask and need answers to now.

How can you find these things out from a group that is to report solely to the minister? Will there be an independent appellate division set up to ensure that those who rule on an issue in the first place do not handle the appeal as well? This practice is currently taking place and that, among other things, is what is concerning the people of the public service.

Will the Public Service Staff Relations Board be given powers so that it can discipline both sides, including the government? We have seen instances where the board has ruled in favour of the employees and it has turned out that they could not do anything about management decisions. The example I give will be one in respect of the public service board ruling on retroactive pay which was not paid within the prescribed 90 days. They made a ruling favouring the employees but nothing could be done about it. What kind of discipline will the government accept as a result of this? In short, this is a very serious matter in the public service. We are sorry this had to be done privately and, as I said earlier, furtively.

The public service wants to know if the review by this particular study group is to play a real role in improvement. Will its recommendation result in changes in legislation? Will this legislation then be examined by the appropriate parliamentary committee, or is this just another in a monotonous series of delaying tactics and was the group appointed merely to give the government an excuse for another six months' delay?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I appreciate the hon. member indicating that he understands the importance and, indeed, the delicacy of the many issues involved in a review of the Public Service Staff Relations Act. We hope to have a thorough understanding of the viewpoints of the interested parties before taking any definite steps in answer to the many questions, some of which the hon. member raised in his remarks and some of which he left out, which come up in looking at this act and the operation of the public Service Staff Relations Board in its few years of history.

I have recently made this known to all interested parties and I hope to invite their co-operation in the review,

receive their views and discuss them with the distinguished men who have agreed to work on the review. I do not wish to speculate at this time upon the result, but this much at least I can say—that is is likely that the review may result in legislation being proposed to the House. I say that without prejudging the issues but simply recognizing the many points made on all sides about the difficulty in relation to the act, the board, its operation and points for improvement.

Of course, at that time I would anticipate there would be the fullest opportunity to examine in every way the issues involved in and attitudes to changes which may be proposed. I therefore see this as a process of trying to obtain a thorough understanding of the viewpoints as we move from one step to another toward making improvements which may be required in this very important law governing the relationship of those in our public service with the government of Canada.

TRANSPORT—SUGGESTED USE OF LIGHT ON HALIFAX MONUMENT AS SIGNAL FOR SHIPPING

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I make these remarks with two thoughts in mind. First, I am pleased that the hon. member for Saint John-Lancaster (Mr. Bell) is here, because of his distinguished service as a merchant seaman during the Second World War. I am sure these remarks will have a special meaning for him. Second, I believe the reply will come from the Parliamentary Secretary to the Minister of Transport (Mr. Duquet), who has had some difficulties. We are pleased he has won this battle and is with us.

If you go to Halifax, go to the south end and look out from Point Pleasant Park to the stone faces on the other side of Halifax harbour, you look across the broad Atlantic. It was from there the great convoys of the Second World War sailed. Many brave men did not reach the other side, or did not come back again. A few years ago the Royal Canadian Naval Association had a monument erected to these men. It is a very impressive monument and one from which a light beacon shines. But unfortunately, those who built it were perhaps more ambitious than the funds allowed in keeping this memorial going perpetually.

• (10:20 p.m.)

Therefore I was forced to ask whether some means could be found to keep lighting this monument. The problem, I think, is that while the equipment is there, what is needed is $1,500 a year for its floodlighting. While one would expect that this request should be directed to the Minister of National Defence (Mr. Macdonald) and his department, I also had in mind that this monument does stare out at night onto the Atlantic Ocean and, therefore, might properly be regarded as a beacon that could be operated by the Department of Transport. Perhaps I could put it in as brief a wording as possible, to put the matter in true perspective, by quoting from a Canadian Press report which appeared in the Toronto *Globe and Mail* of Friday, February 12. It reads as follows:

The national war memorial for servicemen lost at sea, a beacon for ships entering Halifax harbour at night, will be blacked out after March 31 unless someone finds the $1,500 a year needed to pay for the floodlighting.

The Royal Canadian Naval Association raised the money to instal the lights but says it cannot afford the cost of electricity any longer.

The memorial was built by the Commonwealth War Graves Commission. It stands on Point Pleasant in the park of the same name at the southern end of the Halifax peninsula.

The park commission, financed by the city treasury, says it hasn't any money to spare but will try to get the defence department to do something.

I raised this question with the Minister of National Defence and his answer was the reason for my coming here this evening. I will not dwell on either my question or his answer. I think it is rather important that this memorial be kept lighted, perhaps for the simple reason that most people do not realize what I think some would realize, that a memorial such as that for men and women who are lost at sea is their gravestone and should be treated with the utmost respect.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my first words will be to thank the hon. member for his kind words on my coming back to the House today. I appreciate them very much.

So far as the matter raised by the hon. member is concerned, he directed his question in the first instance to the Minister of National Defence (Mr. Macdonald). However, the main point in the question is one of direct interest to the Department of Transport in that it suggests the possible use of a floodlit monument in Halifax as a navigational aid. The monument in question is located in the southern end of the city in Point Pleasant Park. This site is a national historic park and is administered by the parks branch of the Department of Indian Affairs and Northern Development. The Department of Transport has had correspondence on this subject from the directors of the Point Pleasant Park as well as from the Royal Canadian Naval Association, and it would appear that there has been an understanding between these two bodies over the years for the payment of hydro costs which has been paid by the Point Pleasant Park.

The department officials undertook a full review of this very worthy suggestion. They found that the floodlit memorial did not constitute an aid to navigation, nor would it be feasible to use it as such. I am informed that the shoal water, which stretches for roughly one mile south of the park, is adequately marked by navigational buoys. These are well known to those who navigate that area. In addition, there are other short-based lights in the region which can also be used for positive positioning.

I fully appreciate the hon. member's sincere concern in this matter. He has raised some additional points and I will be only too pleased to address them to the department for consideration.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, February 23, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

WELFARE

PROPOSED MEETING OF PRIME MINISTER AND TORONTO OFFICIALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. S. Perry Ryan (Spadina): Mr. Speaker, on a matter of urgent and pressing necessity I propose to ask the unanimous consent of the House to put a motion under Standing Order 43. The increasing unemployment in the province of Ontario and elsewhere in Canada has precipitated a welfare crisis in the city of Toronto caused by the burden of its own unemployed supplemented by the burden of an escalating influx of unemployed employables. The city of Toronto turns down no welfare applicant. The city of Toronto proposes a shared-cost emergency employment program designed to provide immediate employment. The city proposes that the federal government—

Mr. Speaker: Order, please. I must interrupt the hon. member immediately. I have pointed out to the House on a number of occasions, particularly at some time in the past week when a rather heated debate arose in connection with the application of Standing Order 43, that hon. members can move motions under Standing Order 43 to bring to the attention of the House matters which they consider to be of urgent importance but that their contribution to the submission of the matter to the House should be limited to the urgency aspect of the matter and that there should be no debate over the substance of the matter raised by the hon. member who proposes such a motion.

Mr. Ryan: Thank you, Mr. Speaker. I was just coming to the conclusion of my remarks. I thought a few words of preamble were necessary. The city of Toronto has requested an emergency meeting with the Prime Minister to discuss this proposal. I therefore move, seconded by the hon. member for Hillsborough (Mr. Macquarrie):

That this House urges the Prime Minister to meet with the mayor and executive committee of the city of Toronto to discuss the proposed shared-cost emergency employment program and that the government give favourable consideration to sharing the cost of the program so that the plan can be put into effect without delay.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Spadina which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

23966—20½

Some hon. Members: No.

Mr. Speaker: There is not unanimity so the motion cannot be put.

* * *

LABOUR CONDITIONS

LAY-OFF OF MASSEY-FERGUSON EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): I should like to seek the unanimous consent of the House to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. The matter concerns the announcement today by Massey-Ferguson Limited of the imminent lay-off of 2,750 employees, affecting two Canadian cities.

I move, seconded by the hon. member for Norfolk-Haldimand (Mr. Knowles):

That this House regrets that the government has failed to provide an economic and psychological climate conducive to economic growth in Canada, with the consequential result of mushrooming unemployment, and that immediate initiatives be taken to restore confidence in the economy required for growth and development.

Mr. Speaker: Order, please. Perhaps I should mention that I have some doubt about the type of motion proposed by the hon. member for Gander-Twillingate. It seems to me that the motion is couched in the language of a non-confidence motion, and I doubt whether Standing Order 43 is in our Standing Orders for the purpose of proposing this type of motion. In any event, hon. members have heard the motion suggested by the hon. member for Gander-Twillingate which of course requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

LABOUR CONDITIONS

LAY-OFF OF MASSEY-FERGUSON EMPLOYEES—GOVERNMENT ACTION

Mr. William Knowles (Norfolk-Haldimand): My question is for the Prime Minister. In view of the fact that Massey-Ferguson Limited of Canada announced today

that it is laying off 2,750 workers, what steps will the government take to correct the conditions which led to the lay-offs so that the affected men do not become part of the already swollen ranks of the unemployed in Canada?

Right Hon. P. E. Trudeau (Prime Minister): I will take the question as notice, Mr. Speaker.

Mr. Knowles (Norfolk-Haldimand): Since Massey-Ferguson Limited has stated that these lay-offs result from slow sales of finished manufactured products, how does the government plan to correct the conditions in the economic climate of Canada which led to this unfortunate situation?

Mr. Speaker: I am sure the hon. member realizes that his question is of such a general nature that it should not be asked at this time. If the hon. member could put the question in somewhat more specific terms, perhaps it might be in order, but his question cannot be asked at this time. The hon. member is inviting the government to make a statement of general policy, and this should not be done during the question period.

Mr. Knowles (Norfolk-Haldimand): Very briefly, my question is: What specific steps will the government take to correct this situation in the city of Brantford?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think this is the right time for me to answer a question which was raised yesterday by the Prince from Hastings.

Mr. Hees: On a question of privilege, the minister means Prince Edward-Hastings.

Mr. Pepin: Yes. He mentioned the fact that exports of finished products had not increased last year as rapidly as previously. I grant him that so far as last year is concerned, but a good student of statistics—

Mr. Speaker: Order, please.

Mr. Hees: Where are your manners?

Mr. Speaker: It seems to me that the minister is replying in effect to a question which was posed yesterday and, not the one posed a moment ago by the hon. member for Norfolk-Haldimand.

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AGRICULTURE

FARM MACHINERY—INQUIRY AS TO FINAL REPORT OF BARBER COMMISSION—ACTION ON REPORTS ALREADY SUBMITTED

Mr. John Burton (Regina East): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Can he now indicate when the final report of the Barber Commission will be available? Can he also indicate whether the government has taken policy decisions or any action with respect to the reports already submitted by the Barber Commission?

[Mr. Knowles (Norfolk-Haldimand).]

Hon. H. A. Olson (Minister of Agriculture): I would hope very soon, Mr. Speaker. We received the report some time ago. It is now being translated and printed and, as I said before, I do not think it will be very long. I would not like to repeat what I have said many times in the House about the action we have taken respecting earlier interim reports.

* * *

ENERGY

USE OF CANADIAN TERRITORY FOR OIL AND GAS PIPELINES FROM ALASKA TO UNITED STATES—FEASIBILITY STUDIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources may I direct my question to the Minister of Indian Affairs and Northern Development who may be able to answer it. On February 12, in a speech at Vancouver, the Minister of Energy, Mines and Resources offered the Canadian northland as a land bridge for the transportation of oil and gas from Alaska through Canada to the United States. Has the minister's department made any feasibility studies of the placing of oil and gas pipelines down the Mackenzie River Valley? If so, have such feasibility studies been completed and will they be made available to the general public?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as everybody knows, studies are presently conducted in the North as to the possibility of constructing oil or gas pipelines on the permafrost. These studies are not completed yet. We believe it will be probably feasible, but we are not in a position to give a definite answer at this time.

[*English*]

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister whether the Minister of Energy, Mines and Resources was expressing government policy when he suggested making Canadian territory available for oil and gas pipelines although the feasibility studies and investigation into the ecological consequences of such pipelines have not been completed.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, obviously the two subjects would have to be related. The minister is a member of the same government as the Minister of Indian Affairs and Northern Development so the two decisions would be correlated.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Then do I take it that the offer of the Minister of Energy, Mines and Resources to have the Canadian northland used as a bridge for the transportation of American oil and gas is conditional upon the feasibility studies being favourable?

Mr. Trudeau: Mr. Speaker, I do not think we could describe it as an offer in any really legal sense. It was a proposal put forward as one worthy of consideration.

[*Translation*]

INDUSTRY

SOGEFOR LIMITED—DISCUSSION BETWEEN QUEBEC AND OTTAWA RESPECTING CLOSING OF PLANTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in view of the absence of the Minister of Regional Economic Expansion, I shall put my question to the Prime Minister.

Everyone has heard of the coming closing of the Sogefor plants at Maniwaki and Mont-Laurier. Is the government now studying the matter and is it, in any way, in touch with the Quebec authorities with a view to preventing the closing down of those two plants?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that, in the final analysis, those plants came under the General Investment Corporation and, to my mind, it is up to the Quebec government to make decisions in this regard. If they wish to consult the federal government, we are always available.

* * *

[*English*]

TRADE

ACTION TO INCREASE EXPORTS OF MANUFACTURED GOODS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce. In view of the direct relationship between the export of manufactured goods and the desperate need of employment opportunities in Canada, can the minister indicate if any crash programs or new incentives for Canadian sales were inaugurated on the occasion of the visit of our government representatives to the Singapore Conference and the surrounding countries which do have expanding markets, and can we expect a sharp increase in sales to this most lucrative area?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I could easily say, Mr. Speaker, that most of our programs are based on that line of thinking. For example, when we assist exporters through the Export Development Corporation this is what we have in mind. When we negotiate agreements on science and technology applied to industrial development, this is also what we have in mind. Mr. Speaker, I tried to say a moment ago, and you realize you should have allowed me to make the answer, that the postulate of the question was wrong. The manufactured goods content of our exports has been growing tremendously in recent years. Let me give the figures.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Down, down—watch your manners, Jean-Luc.

Mr. Speaker: Order, please. It seems to me that the minister is embarking on a statement of a general nature.

I should think that the minister might wish to make a reply which would be brief, succinct and to the point, but I believe he was doing a little more than that. He may have an opportunity to continue the matter if supplementary questions were put later in the question period.

Mr. Danforth: Mr. Speaker, may I ask a supplementary question and make it simple so the minister can answer very briefly. In view of the fact that present sales are not good enough, was anything new initiated at that conference or in that area?

Mr. Hees: Yes or no.

Mr. Pepin: Mr. Speaker, I have answered that. Almost everything we do has that particular purpose. For example, to mention something we are doing now, we are developing an export market strategy which is developing all kinds of things.

Some hon. Members: Oh, oh!

Mr. Hees: Why not develop some export sales and leave strategy alone?

Mr. Pepin: Mr. Speaker, this is an unfair question, and I suggest that when questions are based on a false assumption they should not be allowed.

SUGGESTED REPEGGING OF CANADIAN DOLLAR TO ASSIST EXPORTERS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct this question to the Prime Minister. In view of the great difficulties being experienced by exporters today caused by the wide fluctuation of the Canadian dollar, is the government giving consideration to repegging the dollar in the vicinity of, say, 97 cents United States in order to make it easier for our exporters to contract for future orders? They are finding it very difficult to do this today which means that it will be difficult for them to provide employment if they are not able to do so.

Right Hon. P. E. Trudeau (Prime Minister): Obviously there are always difficulties in trading in the international market, Mr. Speaker, but the hon. member does not seem to realize that we had the best trading year by far in our peacetime history last year.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member is asking if we will consider pegging the dollar. Obviously he knows that this is the type of question on which we cannot announce our intention; it is something we either act on or do not act on. We do not broadcast our intention in advance in order that speculators may make a fast buck at the expense of the hon. member and other citizens of this country.

Mr. Hees: Mr. Speaker, as the Prime Minister obviously believes this is an unimportant matter I should like to ask him if he would be willing to meet in the very near future with a delegation from the Canadian Exporters Association to learn at first hand of these tremendous

difficulties which the fluctuation of the Canadian dollar has caused them in taking orders for the future, and again this is reflected in the employment picture. Would—

Mr. Speaker: Order, please. I suggest to the hon. member that the first part of his supplementary question was in order but it seems to me that he went on to present an argument. Perhaps we might overlook the latter part of his supplementary question if either the Prime Minister or the Minister of Industry, Trade and Commerce, who seems to be very anxious to resume the floor, might reply.

Mr. Hees: Mr. Speaker, may I appeal for an answer from the Prime Minister? We get nothing from this minister.

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): My comment on that is very simple, Mr. Speaker. Where has the hon. member been for the past year? That is the answer.

Mr. Speaker: At this point the Chair, subject to returning to the minister and the hon. member later during the question period, will recognize the hon. member for Timiskaming.

Mr. Hees: Mr. Speaker, on a question of privilege—

Mr. Pepin: He is going to tell us where he has been.

Mr. Hees: May I tell laughing boy I have been here watching him run a formerly good department into the ground.

Mr. Speaker: Order, please. The Chair again recognizes the hon. member for Timiskaming.

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NATIONAL DEFENCE

ONTARIO TAX REBATES FOR PERSONNEL AT UPLANDS AIR BASE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to direct a question to the Minister of National Defence with reference to the Ontario law which requires tax rental rebates to be paid by the end of December. Will the minister use his good offices to ensure that these tax rebates are made to the armed forces personnel living at Uplands air base?

Hon. Donald S. MacDonald (Minister of National Defence): Mr. Speaker, I will look into that question right away.

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EXTERNAL AFFAIRS

NATIONALIZATION OF ALCAN PLANT BY GOVERNMENT OF GUYANA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the genial and loquacious Minister of Industry, Trade and Commerce. It relates to the question I asked on Friday in which I referred to the imminent nationalization of Alcan properties by the government of Guyana. Considering recent events in that country, is the minister now in a position to tell the House and the country of the present situation and, in particular, as to what activities or discussions this government has entered into with the government of Guyana?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, an announcement was made today to the effect that the Alcan subsidiary had been nationalized by the government of Guyana. We regret that negotiations between the company and the government of Guyana have not been successful. I understand that discussions respecting compensation will now take place. We are keeping in touch with the situation.

Mr. Macquarrie: Mr. Speaker, am I to take it from the minister that the government of Canada and the government of Guyana did not partake of discussions or exchange views on this matter?

Mr. Pepin: Mr. Speaker, I think the Prime Minister and the Secretary of State for External Affairs have said on a number of occasions that it is not a right of the government of Canada to dictate the conduct of the government of Guyana in these matters. We put the case that we expect Canadian companies not to be discriminated against in these matters. That is about the extent of what we can do in these matters. I think the House will agree that this was the proper approach.

Mr. Macquarrie: Mr. Speaker, the minister obviously did not hear me. I talked not about dictation but about discussion. I take it there were no discussions.

[*Later:*]

Mr. Pepin: Mr. Speaker, on the question raised with respect to Guyana, I would not like to leave the impression that the Canadian government has not made proper representations to the government of Guyana. Conversations were held to that effect. The point I made a moment ago to the effect that we expect the Canadian companies to be properly treated was made in these bilateral conversations.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—REPRESENTATIONS BY AMHERST AND DISTRICT LABOUR COUNCIL

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister's attention been drawn to a letter to him from the Amherst and District Labour Council which states that practically 50 per cent of the unemployed live in Quebec and the Maritime provinces, takes objection and exception to the comments he makes when

questioned on unemployment, and requests him to tackle today's problems with today's weapons? If so, what has been his reaction to their request?

Mr. Speaker: Order, please. The hon. member is asking whether the Prime Minister has received a letter and what has been his reaction. I wonder whether a question simply in those terms is in order. Perhaps the hon. member might find some way to rephrase his question.

Mr. Coates: Mr. Speaker, perhaps I could rephrase the question and ask the Prime Minister whether, in his attack on regional economic disparity as it pertains to the Atlantic provinces and Quebec, the battle will be won by spreading disparity throughout the whole nation? If not, what does the government intend to do about this matter?

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POST OFFICE

INQUIRY AS TO ELIMINATION OF AFTERNOON DELIVERIES TO VANCOUVER BUSINESSES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question I wish to direct to the minister in charge of the Post Office. Is it the intention of the Post Office to further reduce service to businesses in the Vancouver area by cutting out afternoon mail deliveries to business premises?

Mr. Speaker: Order, please. I am not sure whether this question is of immediate urgency. I certainly do not wish to be difficult, particularly so far as the hon. member is concerned, but this is the type of question which normally ought to be placed on the order paper. The question having been asked, perhaps the minister might be allowed to reply.

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I will take the question as notice.

* * *

[*Translation*]

NATIONAL DEFENCE

WARNING SYSTEM IN CASE OF NUCLEAR ATTACK

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I want to direct a question to the Minister of National Defence about the U.S. warning system getting out of order last Saturday.

Can the minister say whether Canada has a safe and efficient warning system which can rapidly give the alarm to the people of all Canadian cities, in case of nuclear attack?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, we have not exactly the same system in Canada.

Inquiries of the Ministry

Mr. Laprise: Mr. Speaker, I want to put a supplementary question.

I did not ask the minister whether we had the same system as the United States but whether we had in Canada a safe and efficient warning system in case of nuclear attack.

Mr. Macdonald (Rosedale): Mr. Speaker, I am quite ready to discuss this matter before the Committee on External Affairs and National Defence when consideration is given to my department's estimates.

[*Later:*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the hon. Minister of National Defence, as a supplementary to that raised a short while ago by my colleague for Abitibi, regarding the existence or non-existence of an alert system in Canada.

The hon. minister replied that he would be prepared to discuss this matter during the consideration of the departmental votes, but since we might possibly be attacked before we ever get to that stage, would the minister be able to say whether we now have an alert system to warn the people of all Canadian cities?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. There is some sort of a system but I do not feel that we have time during the question period for a detailed discussion of its operation.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): A supplementary question. I wish to ask the Minister of National Defence how the accidental false alert disturbed the usual calm that prevails in Canada on Saturdays.

Mr. Macdonald (Rosedale): Mr. Speaker, Canadians remain calm on all days of the week.

An hon. Member: All except the Prime Minister.

* * *

FINANCE

SUGGESTED TAX REDUCTION TO ASSIST SECONDARY MANUFACTURING EXPORT INDUSTRIES

Mr. S. Perry Ryan (Spadina): My question is directed to the Prime Minister. In considering whether or not to repeg the Canadian dollar will the government consider an immediate corporate tax reduction to assist the labour-intensive secondary manufacturing sector of our export industries to become more competitive, produce more and employ more people?

Right Hon. P. E. Trudeau (Prime Minister): Before bringing down the next budget, Mr. Speaker, I am sure the Minister of Finance will want to consider all forms of tax changes.

Inquiries of the Ministry

[*Translation*]

NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

With reference to the statement made last Sunday by the premier of Quebec that he expected the province would have to pay between $200,000 and $300,000 for the costs of the Armed Forces services in Quebec during the October crisis, I should like to know if the Prime Minister agrees with this statement.

Right Hon. P. E. Trudeau (Prime Minister): I was not aware of this statement, Mr. Speaker. I shall check and see if that statement was made following our conversations on the subject.

[*English*]

REPLACEMENT OF PUBLIC ORDER (TEMPORARY MEASURES) ACT BY PERMANENT STATUTE

Mr. G. W. Baldwin (Peace River): I have a supplementary in relation to the question I directed to the Prime Minister yesterday on this subject. I now ask the Prime Minister to state categorically if it is the intention of the government to have a permanent act at the end of April this year to replace the Public Order (Temporary Measures) Act now in effect?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this has nothing whatsoever to do with the question just asked. The question which was asked yesterday I answered yesterday.

Mr. Baldwin: On a point of order, I asked a simple question. Will the Prime Minister give a simple answer or is he afraid to do so?

* * *

AGRICULTURE

EXPORT OF BROILER CHICKENS—ANNOUNCEMENT OF SUCCESSFUL TENDERER

Mr. A. B. Douglas (Assiniboia): I have a question for the Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. Douglas (Assiniboia): Can the minister report today on who was the successful bidder on the tenders for a large quantity of broilers for export, which tenders were to have been opened yesterday?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. The successful bidder was—I am trying to find the exact name.

Some hon. Members: Oh, oh!

Mr. Olson: The successful tenderer was a group in the province of Quebec who put together the surplus broilers they had in storage and submitted one tender. If the hon. member will give me about two minutes I will find the exact name of the group.

Mr. Douglas (Assiniboia): On a point of order, the noise from the other side of the chamber would indicate that members opposite thought I had arranged to ask this question. I did not, Mr. Speaker.

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I will assist the minister by stating as a preamble to my question that the successful tender was submitted by Quebec Poultry Processors Incorporated of Montreal. I wish to ask the minister whether he does not think it is ironic that the successful tenderer was the leading figure in creating the broiler surplus in the first place?

Mr. Olson: Mr. Speaker,—

Mr. Speaker: Order, please. I doubt whether the question as asked is in order. It seems to be highly argumentative.

* * *

FAMILY ALLOWANCES

REVISION OF POLICY OUTLINED IN WHITE PAPER ON INCOME SECURITY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Prime Minister. In view of the statement made by the Minister of National Health and Welfare on Saturday that it is his intention to find a more equitable scheme for allotting family allowance than the one outlined in the white paper on income security, will the Prime Minister tell the House whether the minister was expressing a new government policy and whether the family allowance policy stated in the white paper is going to be revised?

Right Hon. P. E. Trudeau (Prime Minister): I will take the question as notice, Mr. Speaker.

Mr. Marshall: Since unemployment is swelling welfare costs, will the Prime Minister direct that the date of the federal-provincial conference to be held in June be brought forward so that the present suffering of the poor can be alleviated?

Mr. Trudeau: Mr. Speaker, I do not direct to bring dates forward. I consult with the provinces on such matters.

* * *

TRANSPORT

INCREASE IN RAILWAY FREIGHT RATE ON CREAM CANS

Mr. S. J. Korchinski (Mackenzie): My question is for the Minister of Transport. Does the minister intend to allow the railways to increase their tariffs on March 1 on

the shipment of cream cans from 44 cents per can to $2.75, an increase of 600 per cent?

Hon. Donald C. Jamieson (Minister of Transport): As I have stated repeatedly in the House, Mr. Speaker, I neither allow nor disallow railway freight rate increases or decreases, rare as they may be. If the hon. member will give me the details of this particular tariff item, I will convey his representations to the railways.

Mr. Korchinski: I have a supplementary question for the Minister of Agriculture. Will the minister, on his own behalf or through the dairy commission, lodge a protest on behalf of the farmers who will surely go out of business with an increase of that magnitude?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I think that the Minister of Transport is already aware of the protests of a number of the dairy farmers involved.

DISCUSSION OF WESTERN CANADA RAILWAY FREIGHT RATES WITH PROVINCIAL PREMIERS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a supplementary question for the Minister of Transport. In view of the minister's report to the House earlier this year that negotiations were going on between him and his officials and the premiers of the provinces of western Canada with regard to high freight rates, is he now in a position to report to the House on what progress is being made in this very important area?

Hon. Donald C. Jamieson (Minister of Transport): I did that two or three days ago, Mr. Speaker. Perhaps the hon. member was not present. I indicated that we had made quite a bit of progress in the talks, that we were trying to isolate individual commodities where the freight component of the cost appears to be particularly severe. The officials are examining this matter to see what relief can be achieved. It may be that we can add the commodity to which an hon. member referred to this group.

* * *

POLLUTION

MERCURY—STRICTER CONTROL OF EMISSIONS, REMOVAL FROM BEDS OF STREAMS AND LAKES

Mr. Thomas S. Barnett (Comox-Alberni): I wish to address my question to the Prime Minister. In light of the expert testimony given publicly at the symposium on mercury which the Royal Society of Canada held last week, is the government considering stricter controls on emissions of mercury into air and water and a stepped-up program of research into means of removing existing deposits of mercury from the beds of streams and lakes in Canada which are already polluted?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries and Forestry): A program of that kind is already under way, Mr. Speaker.

Mr. Barnett: I wish to direct a supplementary question to the President of the Treasury Board who is responsible for the National Research Council. Are the resources of the National Research Council being mobilized in this difficult problem of the removal of mercury deposits from existing polluted stream and lake beds?

Hon. C. M. Drury (President of the Treasury Board): The resources of the National Research Council are being used for this purpose.

* * *

FISHERIES

CONVENING OF INTERNATIONAL CONFERENCE ON CONSERVATION OF MARINE RESOURCES

Mr. Walter C. Carter (St. John's West): I have a question for the Minister of Fisheries and Forestry. Can the hon. gentleman say what action has been taken by his department to convene an international conference on the conservation of marine resources?

Hon. Jack Davis (Minister of Fisheries and Forestry): The fisheries of the North Atlantic come under the scrutiny of the International Commission for Northwest Atlantic Fisheries which is meeting in Halifax in June.

SWORDFISH—ASSISTANCE TO FISHERMEN BECAUSE OF POLLUTION

Mr. Robert McCleave (Halifax-East Hants): My question is also for the Minister of Fisheries and Forestry. Can the minister say whether a decision has been reached with regard to the problems created by the closure of the swordfishery and whether we shall hear about that decision on motions?

Hon. Jack Davis (Minister of Fisheries and Forestry): There have been conversations with the industry and with the provincial government authorities in Nova Scotia. Several proposals have been put forward and we shall shortly be announcing those which are acceptable to both governments.

IMPENDING CLOSURE OF PROCESSING PLANT IN NEWFOUNDLAND

Mr. John Lundrigan (Gander-Twillingate): May I ask the Minister of Fisheries whether he has received any indication of the impending closure of a major fish processing plant in the province of Newfoundland and, if so, what action does he propose to take?

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer is no, Mr. Speaker. I have not heard of it yet.

Inquiries of the Ministry

OIL

UNITED STATES OFFER OF CO-OPERATION IN BUILDING PIPELINE FROM ALASKA DOWN MACKENZIE RIVER VALLEY TO LOWER STATES

Mr. Randolph Harding (Kootenay West): My question is addressed to the Prime Minister. In the course of the discussions on energy policy between Canada and the United States in Montreal last September did the United States government make an offer to co-operate with Canada in building a multi-billion dollar trans-Canada pipeline from Alaska and the Canadian north to the lower states?

Right Hon. P. E. Trudeau (Prime Minister): I will take notice of the question on behalf of the minister concerned.

Mr. Harding: Since the government is apparently opposed to the transport of oil by sea from Alaska to the state of Washington, is Canada seriously considering acceptance of the United States offer with respect to a pipeline from Alaska and the Canadian north via the Mackenzie route?

Mr. Trudeau: I know of no such offer having been made.

* * *

INDUSTRY

TEXTILES—INQUIRY AS TO REPORT BY BOARD AND GOVERNMENT ACTION

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Minister of Industry, Trade and Commerce. In view of the difficulties faced by the textile industry I should like to ask whether the textile board has reported to the minister? If so, what is the status of the report and when may we expect action to be taken by the government?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The report has now been received and is being studied.

* * *

HOUSING

METHOD OF ALLOCATING FUNDS FOR SEWAGE TREATMENT PROJECTS

Mr. P. V. Noble (Grey-Simcoe): My question is addressed to the minister in charge of housing. Will the $87 million which has been designated to provide grants for sewage treatment projects be shared provincially on the basis of population or will it be assigned on a first-come, first-served basis regardless of the size or location of the municipalities concerned?

Hon. Robert K. Andras (Minister without Portfolio): It will be distributed on neither basis, really. The size of populations as between provinces is not a very good criterion though it is taken into consideration. We have to consider several factors, including the concentration of population which is more significant in causing waste disposal problems. We also take into account the state of planning and engineering for various projects as it is now, and a whole accumulation of requests which have been received in the past. Generally, we consult with the provinces and an inter governmental, interdepartmental committee studies these matters. Within the provinces we are guided to a large extent by the priorities and requests of the provincial governments. Rightly or wrongly, we do not think that distribution of these grants on the basis of population alone would be wise.

SEWAGE TREATMENT PROJECTS—FINANCIAL ASSISTANCE TO CITIES AND TOWNS ON RIVERS FLOWING INTO LAKE ERIE

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): In view of the fact that cities and towns in the area through which rivers flow into Lake Erie will require an extra $30 million to provide the equipment necessary to enable them to meet the deadline set by the International Joint Commission, is the government giving consideration to making extra funds available to help such municipalities meet these commitments?

Hon. Robert K. Andras (Minister without Portfolio): No precise decision has been taken, but my colleague who will be heading the department of the environment has been discussing this matter with me and we hope that with the new facilities at his disposal and mine we shall be able to take a much more sophisticated look at problems of this kind in the future.

* * *

THE CANADIAN ECONOMY

IMPENDING TAKEOVER OF MEMORIAL GARDENS CEMETERY ASSOCIATION BY TEXAS FIRM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. In view of reports that the Memorial Gardens Association in Toronto which owns some 48 cemeteries in Canada is in the process of selling out to a United States firm based in Texas, will the minister have his department look into this matter in the hope that this transfer of Canadian soil can be prevented, so that Canadians, even if they cannot be protected by the government while they are alive, may be buried in Canadian soil?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Of course, ownership of the company has nothing to do with ownership of the soil or sovereignty over the soil. I will certainly look into the matter. I have not seen those reports. But I would remind the hon. member that there is nothing in the Combines Investigation Act, to which, I take it, he is asking me to refer, which would per se prevent the acquisition of a Canadian company by foreign owners.

Mr. Knowles (Winnipeg North Centre): May I ask the minister whether talk of an election this fall arises from the hope that there will still be a place to bury the government in Canada?

* * *

ENERGY

EAST COAST OFFSHORE OIL AND GAS RESERVES—TYPE OF DRILLING RIG, COMPANY THAT WILL PERFORM WORK

Mr. Lloyd R. Crouse (South Shore): My question is for the Minister of Energy, Mines and Resources who, according to the roster, is supposed to be here today. In his absence I will direct it to the Acting Minister. In view of the statement by the Deputy Minister of Energy, Mines and Resources in Nova Scotia that offshore mineral tests indicate there are sufficient oil reserves to last 30 years and double that amount of gas requirements, can the minister tell us whether the new drilling rig to be put in use off the east coast is similar to others already in existence? Can he also say which company will carry out this work?

Hon. Donald C. Jamieson (Minister of Transport): I shall be glad to take the question as notice for the minister directly concerned who is away today on official business.

PROGRESS ON AGREEMENT WITH ATLANTIC PROVINCES ON OFFSHORE RESOURCES

Mr. John Lundrigan (Gander-Twillingate): While questions are being taken as notice may I ask, in view of the prediction by the deputy minister yesterday that oil will be discovered off the east coast within two years, what progress has been made in consultation with the Atlantic provinces in negotiating an agreement concerning offshore resources? Perhaps the minister concerned will tell us when he reports to the House.

Hon. Donald C. Jamieson (Minister of Transport): I will take that as notice too.

* * *

NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—AMENDMENT OF OFFER TO REMOVE DISPARITY

Mr. Les Benjamin (Regina-Lake Centre): May I ask the President of the Treasury Board the following question. In view of the rejection by east coast dockyard workers of the government's wage offer because acceptance would have meant increasing the disparity between rates paid to workers on the east coast compared with those on the west coast, is the government reconsidering its position and will it make an offer which, at least, will not result in increasing the disparity in wages and salaries which presently exists?

Inquiries of the Ministry

Hon. C. M. Drury (President of the Treasury Board): I am sure the hon. member is aware of my reluctance to conduct collective bargaining on the floor of the House.

Mr. John L. Skoberg (Moose Jaw): In order to clarify the situation concerning naval dockyard workers' income, will the minister make a statement on motions concerning Treasury Board's policy with respect to the wages of hourly-rated employees in various regions of the country?

Mr. Drury: If the hon. member feels this situation requires clarification I shall be glad to provide it to him.

* * *

AIRPORTS

TORONTO—PROGRESS ON SELECTING SITE FOR NEW FACILITY

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that many months have elapsed since the minister said he would advise the House of the location of the proposed new jumbo airport near Toronto, may I ask whether the hon. gentleman is now in a position to tell us what steps have been taken?

Hon. Donald C. Jamieson (Minister of Transport): I can only report, as I did a few days ago, that I have a communication ready for the new premier of Ontario inviting him to meet with me as soon as he wishes to do so following his installation—I presume that is the word. In short, I am ready to talk with him as soon as he is ready, and I hope that very quickly after that we can reach a decision jointly on how to proceed.

* * *

CANADIAN NATIONAL RAILWAYS

REJECTION OF UNION PROPOSALS ON SICK LEAVE AND JOB SECURITY—INQUIRY AS TO APPOINTMENT OF CONCILIATION BOARD

Mr. Steven E. Paproski (Edmonton Centre): I should like to address a question to the Minister of Transport. Having regard to the fact that bids for improved sick leave arrangements by railway union officials negotiating with the CNR were refused on January 7 and 8 followed by the rejection on January 12 and 13 of proposals concerning job security, does the minister plan to seek the services of a federal conciliation board to resolve this dispute?

Hon. Donald C. Jamieson (Minister of Transport): I am sorry. Would the hon. member be good enough to repeat the question? I assumed it was addressed to the President of the Treasury Board.

Mr. Paproski: Having regard to the fact that bids for improved sick leave arrangements by railway union officials negotiating with the CNR for wage increases and other benefits were refused on January 7 and 8, and since

proposals concerning job security were similarly rejected on January 12 and 13, does the minister plan to seek the services of a federal conciliation board to resolve this dispute?

Mr. Jamieson: I do not know whether it is within my competence to do so but I will be glad to take the question as notice and give an answer as soon as I can.

Mr. Paproski: Would you repeat that answer, please?

Some hon. Members: Oh, oh!

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AGRICULTURE

GRASSLAND INCENTIVE PROGRAM—VOLUME OF BEEF IMPORTS FROM AUSTRALIA AND NEW ZEALAND

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the recently announced program to increase forage production in the Prairie region, which will give added incentive for beef production, will he tell the House whether the government is undertaking to discuss with New Zealand and Australia a mutual agreement in respect of the volume of future imports of beef from those countries into Canada on a quarterly or yearly basis?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there has been no discussion respecting the imposition or establishment of quotas. Last summer when we had a great deal of difficulty over this problem there were very satisfactory discussions leading to the supply to this market in Canada of the kind of beef these countries have to sell. I think the trading relations have been very satisfactory since.

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a supplementary question with regard to this same program announced yesterday. Will the minister give consideration to allotting this money to people who operate cow-calf operations because calves and feeders can be used quite readily in eastern Canada but otherwise with all these programs—

Mr. Speaker: Order, please. This seems to be an argument rather than a question.

[*Translation*]

GRASSLAND INCENTIVE PROGRAM—REQUEST FOR SIMILAR GRANTS TO QUEBEC MILK PRODUCERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question I wish to direct to the hon. Minister of Agriculture. In view of the policy announced yesterday concerning the raising of livestock in the western provinces, I would like to ask the minister whether he is prepared to recommend the payment of similar grants in the province of Quebec to milk producers who are in serious difficulty. In my opinion, such a program would be an excellent way of enabling them to re-direct their production.

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are programs in respect of forage production and other adjustments of agriculture that are appropriate to various regions. The hon. member is aware of several programs we have designed that are more particularly applicable to regions other than the grain growing part of the Prairies.

EXPORT OF BROILER CHICKENS—NUMBER OF TENDERS AND PRICE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wonder whether we could return to the subsidized export question directed to the Minister of Agriculture. Can he tell us now who was the successful tenderer, how many tenders were submitted and what was the subsidized price or accepted price—

Mr. Speaker: Order, please. It seems to me at least some of this information should be obtained by way of a written question. Perhaps the first part of the question is in order, but it is my impression that the hon. member gave the reply himself a moment ago. In any event, perhaps the minister might be given the opportunity of replying.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the successful tenderer was the Poultry Processors Association of Quebec Incorporated, and there were nine tenders received. I can give the hon. member any additional information.

Mr. Horner: What was the volume?

Mr. Olson: The volume was three million pounds.

Mr. Gleave: Mr. Speaker, since broilers do not come under the price stabilization board or the Agricultural Stabilization Act, will the minister tell us now under which particular government policy this program was prepared?

Mr. Olson: Yes, under the Agricultural Products Board Act.

Mr. R. E. McKinley (Huron): I have a supplementary question, Mr. Speaker. As all of these broilers will come from Quebec will the minister give some consideration to obtaining some from Ontario in order to ease the surplus there?

Mr. Olson: Mr. Speaker, the tenders were open to processors in all parts of Canada. Quite obviously the successful tenderer was the one who submitted the lowest price.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

• (3:00 p.m.)

The House resumed from Monday, February 22, consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs, and the amendment thereto of Mr. Saltsman (p. 3648).

Mr. Speaker: I understand that the hon. member for Abitibi (Mr. Laprise) had the floor when we adjourned last evening. I gather now that the hon. Parliamentary Secretary to the right hon. the Prime Minister is attempting to gain the floor on a point of order.

Mr. Danson: No, Mr. Speaker, I am just rising to take part in the debate when my time comes.

Mr. Speaker: The hon. member's time has not yet come.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, at the time of adjournment last night, I was showing how far American businessmen have gone in gaining control over Canadian trade and industries. The bill before us seeking to create the Canadian Development Corporation seems to aim at stopping takeovers of Canadian businesses by American firms.

I was saying that it is not the kind of corporation that would prevent Americans from investing capital in Canada. We know how enterprising American businessmen are and we are aware of the necessity for them to invest their capital.

I am therefore convinced that they will keep on buying existing Canadian businesses or try to contribute, through their capital, to the establishment of others.

The minister has often stated that Canadians show little interest in investing their savings in Canadian companies or in organizing new ones. However, the problem is that Canadians have not much savings to invest. We know that the tax rate is eating away the Canadian workers' income.

Last Saturday, a miner showed me his cheque stub indicating seven different deductions. Now, when a miner earns his living in the bottom of a pit and must pay every fortnight $94 in income tax, it is inconceivable to ask him to invest his savings in the Canadian industry. He is unable to do so. It is the government that takes them away from him.

Northwestern Quebec is faced with the problem of exhausted mineral deposits, which forces certain mines to close down. Gold mines are no longer worth anything, in fact a gravel pit nowadays is worth more than a gold mine.

It seems that Noranda Mines Limited may build a copper refinery in the province of Quebec within the next few months. Indeed a group of businessmen from northwestern Quebec have associated with a view to inciting the government to support Noranda Mines Limited so that the latter's project may be implemented.

Canadians do not have the capital required to purchase shares and thus help certain companies, such as Noranda Mines Limited or others of that kind, to establish secondary industries in our country.

For its part, the government intends to set up the Canada Development Corporation—which will no doubt become state-owned—to force Canadians to invest in it, under the guise of taxes, because the capital that the government will invest in that Corporation will come from the Consolidated Revenue Fund. That is what I call a socialistic measure.

Mr. Speaker, I think that the government, through grants or tax exemptions, should help Canadian companies start new industries to process locally the basic materials that we find here.

Very recently, the hon. Minister of Energy, Mines and Resources (Mr. Greene) stated that our basic materials should be processed in this country before being exported. I agree entirely with this statement. Besides, the government of Ontario passed an act two or three years ago which compels companies to process basic materials as near as possible to their place of origin, before shipping.

If such a law existed at the federal level, it would benefit Canadian companies and Canadian workers.

The minister stated on January 20, 1971 and I quote:

> You will agree with me, I think, that in the years to come, Canada will need a policy designed to attract important foreign capital needed to explore our continental shelf and other mine and energy resources.

Now that statement is inconsistent with the proposed bill of his colleague, the Minister of Finance (Mr. Benson) who personally advocates the establishment of a corporation with the income taxes of individuals, want to interest those who still have savings to invest in that corporation, and that in view of checking the import of American capital.

On the other hand, the Minister of Energy, Mines and Resources says that we should interest Americans to invest more in Canada. So, this is a contradiction. I wonder how we will get out of all this.

In the 11th report of the Standing Committee on External Affairs and National Defence, we can read the following on page 3357:

> Non-resident owned firms have received 50.5% of the $368 million in federal grants paid to industry under certain selected programs during the 1965/66-1968/69 fiscal years. Canadian-owned firms received $173 million (48.2%) while non-resident owned firms received $181 million. These grants were made under the following programs: Industrial Research and Development Assistance Program; Automotive Adjustment Assistance Program; Industrial Research for Defence Program; Industry Modernization for Defence Exports Program; Ship Construction Subsidy Program; Development of Industrial Technology Program; Defence Industry Productivity Program.

National defence gets the largest amount; but $181 million were granted foreign enterprise for setting up plants in our country. Not only does Canada invite foreigners to invest here, but it also subsidizes foreign industry that has invested in Canada.

We find, in Jean-Jacque Servan-Schreiber's work *The American Challenge* an extremely revealing and interesting passage on this subject. We see that what is happening in Canada is also going on in Europe. It seems impossible to escape that state of affairs, at least in our present system. Here is what Jean-Jacques Servan-Schreiber writes, at page 14 of the English edition:

> The least-known aspect of American investment in Europe is its means of finance. Financing investments is not a serious problem for American corporations.
>
> With their scope, capabilities, and techniques they have no trouble finding money on the local market to pay for their factories.
>
> During 1965 the Americans invested $4 billion in Europe. This is where the money came from:
>
> —loans from the European capital market . . . and direct credits from European countries—55 per cent;
>
> —subsidies from European governments and internal financing from local earnings—35 per cent;
>
> —direct dollar transfers from the United States—10 per cent.
>
> Thus, nine-tenths of American investment in Europe is financed from European sources. In other words, we pay them to buy us.

We have about the same situation here in Canada. In 1965, we gave them 55.5 per cent of our industrial grants.

On the one hand, a bill to establish a Canadian Development Corporation is introduced as a cure to this situation; on the other hand, everything is being undertaken to attract U.S. investors here because Canadian workers do not have the capital required to buy shares and stocks from companies working on developping our natural resources, our industries, our service companies and our businesses.

I would like to draw to the attention of the House, through the Minister of Finance, the problems involved in the tax reform. When people speak of reform in tax matters, they mainly speak of increases.

In the Finance Minister's White Paper, every means is provided for snuffing out, for destroying small enterprises as it was so aptly said last evening by the hon. member for Edmonton West (Mr. Lambert) in his speech on the bill. And one Mr. M. I. H. Apser said on November 26, 1969 in a speech to the chartered Institute of Secretaries in Vancouver:

> Having all the evidence for it, we are deeply convinced of the value and the necessity of these private enterprises within the Canadian economy, not only as a factor which up to now has played an important part in our national welfare and progress, but also as a valuable potential for the post-war years. The surpluses they have accumulated will provide the means of development that the country needs essentially and they will contribute greatly to increase the number of jobs.
>
> A very high percentage of Canadian people depend directly or indirectly on the financial prosperity of private enterprises—

• (3:10 p.m.)

I fully agree with this statement. If one looks at the development of Canada or of any democratic country, one will find that personal initiative has contributed not only to ensure such development, but also to make Canada one of the most industrialized countries of the Western world.

And it is this private enterprise that we are trying to destroy by all kinds of means. On the one hand, there is the radical action of the labour unions. Sometimes, through inconsiderate action, they force industries to merge into combines, thus forcing small industries to close their doors. On the other hand, the government, through its taxation system, does everything to destroy the small industry, the family industry, that has been the strength of Canada over the years.

Nowadays, the family farm does not exist any longer. There is a tendency to vertical integration, to enlarging farms and turning them into companies in order to put an end to individual property and to change farmers into proletarians. And the same trend seems to prevail with regard to other small concerns.

Mr. Asper went on to say:

> At the very moment when we are concerned about the investment of foreign capital in Canada and about the foreign ownership of an important part of Canadian resources, the proposals of the white paper would make it still harder for the Canadian people to put money aside, which is the only way for them to make investments in the resources and industries of this country. The editorial writer of the Calgary *Herald*, on June 18, 1970, proclaimed his support to the declared policy of the Liberal party, which is "to encourage investments by Canadians". Then he added that the government "succeeds so well in emptying the pockets of the taxpayers, individuals and corporations, that a number of Canadians have no more money to invest—they have hardly enough, indeed, to meet their own daily needs". This editorial was entitled: It is necessary to buy Canada back . . . but with what?

With what should we buy Canada back? There is only one solution and people laugh when they hear it, but it is the theory of Social Credit. It is not the first time that we talk about it. We have been preaching it for 30 years. But some economists and politicians in the pay of high finance think it is funny. They will not spare a few moments to examine the situation and they do not want to compromise themselves, because the $2 billion the Canadian government will pay this year in interests on the national debt will not go to miners, loggers, workers or farmers, but to high finance that controls the world. Financiers are not interested in a change of the economic system. They want to keep on skinning the Canadian population.

I believe the remedy would be in the financing system of our public bodies as advocated by the Ralliement Créditiste. Today, every three months or so, the federal government borrows money on the bond market to finance its administration, to balance its budgetary deficit or to reimburse its bonds.

The provincial governments are in the same situation: they must borrow astronomical amounts of money each year to continue to administer as best they can. Municipalities and school boards are also in the same situation.

The Ralliement Créditiste is requesting the government to authorize the Bank of Canada to grant interest-free loans to these public bodies. If this proposal were accepted by the government, if the latter allowed municipalities, school boards and provincial governments to borrow from the Bank of Canada to cover their financial requirements, then such public bodies would not have to borrow on the private bond market. Being unable to lend their savings to these public bodies, private investors would then have to look to private enterprise and trade to invest their capital.

I am convinced, Mr. Speaker, that those who have savings, be they insurance companies, or investment and security brokers, would not hide them under mattresses. That is not longer the fashion! So, they would have to look to private enterprise to put their savings to work. Gradually, Canadians would regain control over Canadian industries and businesses now in the hands of foreigners.

That is the solution that I wanted to propose to the House to replace Bill C-219 which, in my view, will not solve anything. This bill will in no way remedy the economic situation now prevailing in Canada.

We have cope with unprecedented unemployment conditions, with the destitution and even extreme poverty of many families which have to rely on welfare allowances. All unemployed who depend on very low pensions, welfare allowances or superannuation cannot suggest to the industry what and how to produce.

The interim report of the Economic Council of Canada tabled in July 1967 states the following, as reported on page 10:

> The greatest possible freedom of choice should be preserved for consumers—

How is it possible for social welfare recipients and unemployed to have that freedom of choice?

They have not a penny in their pockets to tell industry what to produce. I quote further:

> —so that each individual or household is free to choose the component parts of its way of life or standard of living, within the bounds of the law.

Mr. Speaker, this statement is in perfect agreement with the philosophy of Social Credit.

The report says further:

> —Consumer choice should be the ultimate arbiter of which goods and services are produced and continue to be produced.

Mr. Speaker, this is what Social Credit is all about, this is what members of the Ralliement créditiste are asking for: that the individual be given a right to tell industry what it should produce. But the system that the government is proposing, through this bill to create a Canada Development Corporation, as the minister said, is designed to guide Canadian industry and then somehow force consumers to buy again the production, if we allow that.

If the government wants to solve the problem we are facing in Canada, it should cease to take away from Canadian workers the greatest part of their income through the system of direct and indirect taxation. Then the individual would be able to control production, to invest into Canadian enterprises, into family undertakings which he would be proud to own and manage. Then we would see—as we have seen already—that there are still in Canada people who are able to run a business.

Let us give Canadians the opportunity to prove their ability. Canada will only be better for it, and the Canadian government will have done much to improve the standard of living of Canadians. That is what we would prefer to find in Bill C-219.

The House has under consideration an amendment to give this bill a still more socialist character, but we will object to it besides disagreeing with the measure being debated.

• (3:20 p.m.)

[*English*]

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am delighted to follow the hon. member for Abitibi (Mr. Laprise) in this debate. I am not in favour of the policies suggested as a solution for our problems but we must give full "social credit" to him for putting them forward. The debate relating to this bill is one of the most significant, in many respects, to take place in this House in many years. It is the first time that we have really begun to come to grips with the ownership and control of our industry and our resources.

I use the word "begun" advisedly as I believe it to be the first substantial legislative step to help us "tip toe" through the intricacies of maintaining a substantial inflow of investment capital, still essential in the view of my party to the dynamic growth of our economy, and the imperative of assuming an increasing degree of control over the business and economic decisions which very much affect our sovereignty and our development as a more distinct Canadian social and political entity.

In this debate I wish to pay credit to the Hon. Walter Gordon whose passionate and persistent actions and concern have kept Canadians constantly aware of the abyss into which we are sinking. One may agree or disagree with Mr. Gordon's analysis or proffered solutions but one cannot fail to give him full credit for focusing our attention on this problem, this dilemma, to which we are finally beginning to give concrete attention. He has indeed already proven himself to be a very great and devoted Canadian and I doubt whether he is too concerned whether the solutions arrived at are along the precise lines he might choose as long as they are the result of the considered judgment of reasonable and concerned men and women.

This bill to establish the Canada Development Corporation is only the first step because it deals with only one aspect of the full range of considerations. However it does set up the machinery which might be expanded through the CDC or otherwise to deal with other important aspects. It is designed to establish a government position relating to the future oriented development of Canadian industry. This must be the first priority and

the most positive aspect of the entire problem. The bill does not at this stage at least attempt to barge into some uncharted waters—areas which will be more clearly defined when the results of the studies of the Minister of National Revenue (Mr. Gray) are completed. We can then deal more satisfactorily with the whole question of foreign takeovers of Canadian companies and assess the wisdom of actually repatriating the control of some key facets of our industrial social and economic life.

Like most members in this House and many individuals across the nation I wait with some degree of impatience for these studies to be completed. However we must all be aware that it is far more important that they be broad and deep so that judgments based upon them are more likely to be wise and valid. At the same time we must maintain an appropriate pace as we face ad hoc decisions to periodic crises with varying degrees of satisfaction and questionable fairness to those involved. We must have rational long range policies so that both domestic and foreign investors and entrepreneurs can act with a greater degree of certainty. I believe it was Conrad Hilton, a man whose hotel empire reaches into countries with a myriad of regulations who said that he doesn't care so much just what the ground rules are so long as they are clearly set out and they are not changed on him in mid-stream. Mr. Hilton in many ways personifies the entrepreneurial spirit which motivates so many enterprises.

Business will adapt to reasonable laws and economic climate as well as tax systems knowing that its competitors face the same sets of rules. It can then chart its own operations towards profitable objectives. I know that word profit is a dirty word to some in certain sections of his House—I do not see any NDP members here—but I suggest that they do not appreciate the role that profit plays in maintaining efficiency and producing the essential investment capital for job creating expansion not to mention the motivation. That is a question of particular interest to those who studied these matters in the Committee on Finance Trade and Economic Affairs. I suggest that studies in this area of motivation are overdue. There should also be differentiation between fair or justifiable profit as opposed to that which is clearly exploitive or the result of unfair monopolistic practices.

I was interested in speaking to leaders of governments in the many nations I was privileged to visit when accompanying the Prime Minister to the Commonwealth conference in Singapore. Virtually every country had quite clearcut regulations relating to foreign investment, yet each one clearly welcomed such investment. Its success was largely dependent on the market, which in most cases is substantial in terms of population but small in terms of per capita income, a reverse situation to that of Canada. At the same time it is recognized that, as the standards of living increase in an area where hundreds of millions of people live, the potential for growth is enormous. Wise business, and I hope we only have "wise" business as opposed to "smart alec", is going to gain whatever foothold it can in such markets in concert with local interests.

Another factor in addition to the domestic market is the richness of natural resources. In Indonesia, for instance, there are vast oil reserves to which access is relatively easy. They might not agree with that statement but it is true when you compare the situation in other nations. The quality of the oil is on a par with our Alberta oil, about which they knew everything. In Indonesia, they taught me a great deal about Canadian oil. The uncertainty of other sources of oil, plus the growing Pacific and Asian market, makes these resources sufficiently attractive that major international oil companies are quite prepared to invest their capital and "know-how" and turn over 65 per cent of their interests to Indonesian government corporations in return for nothing more than the 35 per cent they are allowed to retain plus a five year tax holiday. In addition, they are to repatriate or reinvest the profits on their 35 per cent as they see fit.

• (3:30 p.m.)

It is most interesting to see the development in Iran, a country where they manufacture their own automobiles, trucks and buses. It is a small country which we think is undeveloped, but the government is in complete control of the situation and business in that country competes on the export market with foreign licensors, something we should look at in our licence deals. In Iran, investment is welcomed when it participates equally with domestic investment capital. In that country return on investment exceeding 25 per cent is considered normal. I do not know if it is fully justifiable, but I am told that in their case it is normal.

In many cases our tax laws assure Canada of as much return as these nations enjoy as a result of their regulations on ownership. In other words, we do not have the same percentage of ownership but under our tax system we probably end up with as much in the federal coffers as they do as a result of their regulations on foreign ownership. What we must consider is the degree of control that is retained by the host country, and this is one of the prime considerations in this CDC bill.

This bill with which we are dealing, as I said previously, deals primarily with the key area of future development and the management of Canadian enterprises. Unless we are successful in this area and can prove ourselves competent, we will not be competent to deal successfully—by successfully I mean competitively and economically, and with the necessary managerial and entrepreneurial skills—with the question of takeovers. This cannot happen in the hothouse atmosphere of the bureaucracy, with all due respect to the very high standard of the bureaucracy in this country. I am delighted to see the transitional aspect of the CDC emphasized. This allows the CDC to operate with a maximum degree of freedom, largely as a catalyst to bring situations together and as a conduit to funnel the results back into the private sector.

I agree to a limited extent with the hon. member for Waterloo (Mr. Saltsman), who participated earlier in the debate, that there are some areas where profitability is

not possible or perhaps even desirable in serving the public interest. This could be the case with a pipeline from western Canada to eastern markets and was the case with our railroads. I think that cost-benefit analysis or economic studies in those days might not have shown much prospect of profitability. But such enterprises can serve as a vital lifeline, almost an umbilical cord, in the total rationale and cohesive development of our nation. I am sure that this question of a pipeline from western Canada to eastern markets will come up, and it has been suggested that if it is economically feasible private enterprise will construct it. There might be some validity to the suggestion that it is a worthwhile undertaking, although it is not yet economically feasible. Such a pipeline might be very important as an "ace in the hole" for Canada in international negotiations, even if no oil is presently flowing through it.

It is also suggested that with such a pipeline consumers in the eastern market would have to pay a cent or a half cent more per gallon for oil in order to support our western oil industry. Mr. Speaker, I suggest that the people in western Canada for many years have been paying a cent per item or per gallon more than the price of the equivalent product elsewhere simply because they are part of Canada and are protecting eastern manufacturers. I do not think it is too much to expect that some time this situation should be reversed. It would do a lot to bind the country together to give us cohesion, and to give us greater development. However, at the moment this is not a consideration because our oil producers cannot produce enough oil to fill the pipelines we have—

Mr. Lambert (Edmonton West): What is that?

Mr. Danson: I understand that at the present time, with the reserves available in western Canada and the opening of the American market, we need more pipelines to take the oil out. In fact, the producers in the west cannot start into the American markets that exist at the present time. I should add that this situation relates largely to the area of feeder lines, which is the paramount problem at the present time. My facts may be wrong on this, but this is what some oil people told me the other day. Perhaps they go to a different gas station.

Mr. Lambert (Edmonton West): The parliamentary secretary goes to gas stations to find that kind of tripe.

Mr. Saltsman: Mr. Speaker—

Mr. Speaker: Order, please. Is the hon. member for Waterloo rising for the purpose of asking a question? If so, is the parliamentary secretary prepared to receive a question?

Mr. Danson: I am sorry, Mr. Speaker, but I wish that the hon. gentleman would save his question until I have finished. I hope I will have enough time at the end of my remarks, and I will be delighted to deal with it then. In fact, I hope he will stay for the rest of my speech.

Mr. Saltsman: Mr. Speaker—

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. Saltsman: On a point of order, Mr. Speaker. I am sure the parliamentary secretary will want to correct the record regarding the oil pipeline which is running somewhat empty because the United States is not taking our oil.

Mr. Speaker: Order, please. I should correct the hon. member's suggestion that this is a point of order. Perhaps it might be a debating point, and the hon. member may wish to raise it with the parliamentary secretary after he has completed his contribution.

Mr. Danson: Thank you, Mr. Speaker, for pouring oil on troubled waters.

Mr. Saltsman: On a point of order, Mr. Speaker—

Mr. Danson: To return—

Mr. Speaker: Order, please. I apologize to the parliamentary secretary. The hon. member for Waterloo seeks the floor on a second point of order.

Mr. Saltsman: If it meets with your approval, Mr. Speaker, I would hope the parliamentary secretary would correct the impression he left about the NDP members in the House of Commons. We are both here to hear his remarks.

Mr. Speaker: Order, please. That is hardly a point of order.

Mr. Danson: Thank you, Mr. Speaker. It is certainly nice to see the small rump of the NDP come back into the House when they heard I was speaking.

I should like to return to the question of entrepreneurial and managerial skills which in my opinion are critical to our future development. We Canadians are noted more for our diligence than for our imagination or daring. Perhaps this is due to the fact that we have been able to live and prosper safely and comfortably by leaning on the skills and capital of others. This applies to our economy. It also applies to defence matters as well, and we cannot afford to be too self-righteous about these things.

I am not certain how you develop entrepreneurship. It is largely the result of intuition, competitive experience and many other factors—

Mr. Lambert (Edmonton West): And the existence of the opportunity.

Mr. Danson: Taking advantage of the opportunity I guess is entrepreneurship, and seeking the opportunity. But I am confident that entrepreneurship can be encouraged by the CDC which can give Canadian initiative a fighting chance it did not previously enjoy in the face of the juggernaut of massive, multinational corporations, or simply of the branch plant or office having the massive resources of a home office which developed in a market of over 200 million people to the south of us.

Managerial skills, however are a very different matter and one which has received all too little attention in this

country. We have some excellent schools of management and business administration but we need more and even better, better in the sense that we must move further into the field of graduate studies. This is particularly important at a time when we are graduating students from the liberal arts and humanities courses of our universities right into limbo. I spoke about this in an earlier debate about a week or two ago. These are well educated young men and women who have nowhere to go, no skills, no direction and no jobs. This is all being done at tremendous cost in human and material resources, and with the growing impatience of the taxpayers. But, Mr. Speaker, this impatience is nothing compared with the frustrations of the graduates themselves, frustrations which could prove explosive unless we come to grips with this problem.

Not long ago we were turning out people with skills, technocrats, but who were not really educated in the broad sense. Today, however, the reverse is true. We must achieve a balance, and a balance is something that is always sought by Liberals.

Mr. Paproski: Tell the Prime Minister that.

Mr. Danson: Our science graduates and those from our technical schools at least have direction and a degree of skill, sometimes a high degree of skill, with an opportunity for employment. But I think it is terribly important that we do some periodic re-assessment of our educational streams and see just what we are producing. I also think that guidance counsellorship in the high schools needs to be continually up-dated so that we can try and project what changes are taking place about us.

As an example, in this province just a year or two ago there was an immense shortage of teachers. I do not intend any reflection on the teachers but it seemed to many, and I am sure even to teachers as well, that if one could read, write and hopefully spell, one could get a job teaching. Now, it is difficult to get a teaching job even with a graduate degree. My friend, the Hon. Stanley Randall, the Minister of Trade and Development in the Ontario government and the greatest travelling salesman since Willy Loman of Broadway fame, justifies unrestricted foreign investment on, amongst other shaky premises, the fact that 60 per cent of the research and development done in Canada is done by foreign firms while only 26.8 per cent of our corporate assets are foreign owned. I could question those statistics but I will accept them as a further challenge to our own managerial skills, and also to our governments and to our industry to break out into far wider areas so that our inquisitiveness matches our diligence.

• (3:40 p.m.)

I expect that the final report of the Senate Committee on Science Policy will have very specific and constructive recommendations to make in this general area, and I am just as impatient to see this report as the one on foreign ownership. Hopefully, a minister of science will focus attention on this critical aspect of our national development. The report should also help us to more clearly articulate our national, social, economic and industrial objectives, a vital prerequisite to establishing national policies not only on foreign ownership and investment but on directing our own resources and energies in a manner most beneficial to ourselves in concert with our friends, neighbours and trading partners and, equally important, Mr. Speaker, our future trading partners around the world.

This is another area which I found to be particularly beneficial when I visited southeast Asia recently. Our interest there, of course, was the commonwealth and our aid programs, which I prefer to call development programs. We are developing credibility in those countries; certainly, we are in the commonwealth, in Africa and in Asia and in the Caribbean countries. What we are doing would make any Canadian very proud, indeed. It was a great experience travelling with our Prime Minister and seeing the regard in which Canada and all Canadians are held, as well as the respect and enthusiasm evinced for our Prime Minister. Our motives are not being questioned. We are there because we feel that is the place to be; after all, such a huge percentage of the world's population is there, and we are there as interested human beings. But there is a slight difference. Although we are their friends and although they are developing, those people represent, as I mentioned previously, an enormous potential trading market.

This is really interesting, I submit, because up until now we have depended for our trade upon the markets of our American friends, and I use that word in its full sense, and of the British. To a great extent, we traded with Britain. Now, the British may be slipping into the Eropean market, and we face the prospect of depending on two massive, major trading areas for our future trade. If we spread our wings around the world and establish our credibility, interest and friends, I think the result will be massive markets for us. At this time, as Britain is negotiating to enter the common market, there is an excellent opportunity for Canadians doing business in the United Kingdom today to begin negotiations on the basis of the conditions which will probably prevail and to determine whether or not they can continue dealing in that market. This must be decided.

If we find the formula for working with Britain after it has entered the common market, than I say the same formula will work within the common market itself. We could also use these same techniques for penetrating the common market. I think Canadian businessmen have been a little reticent about dealing with the common market. I have dealt there for 15 years and, certainly, there are problems. I do not think people would be in business if there were no problems for them to solve. There are language barriers and difficulties, but you find a response there that is interesting. Perhaps they have a different way of doing business. If you want to survive in this world, that is something you must get used to.

The third world about which I was speaking is of very great interest to our students. The subject happened to come up in a dinner table conversation the other night with my own children who are very much interested in

the third world. My oldest son and daughter-in-law spent most of last year in East Africa, mostly in Tanzania. They want to go back there and devote some years of their life to that part of the world. I give them full credit for that. While talking about Canadian economic conditions, they were also talking about the increasing technology besetting us which will shorten the work week. Productivity, apparently, will not be all that important anymore. The great thing will be, how shall we spend our leisure time. It occurred to me that these same children who were speaking about helping people in the third world war—I beg your pardon; I hope that was not a freudian slip—in the third world perhaps enjoy too much leisure time and are not too productive. In many cases, they are not too happy. That is a value judgment, and perhaps I should not make it lightly.

If our children are as idealistic as I think they are, and if our technology will permit them to work a four day week or work for four years and take one year off, I hope that they will devote their energy to upgrading the lot of the less fortunate in the world rather than sitting back and enjoying themselves in the cocoon, which would soon be broken open and ripped apart if we neglected those people.

I spoke previously of my experience with American businessmen over a period of some 20 years. Much of that time I have spent in the American market. I have found American businessmen to be practical and imaginative people, shrewd and really quite open. They have the same love of country which we have, although they probably wear it on their shoulders a bit more than we do. But if we explain to them, as I have done, that in passing bills like the CDC bill and other measures we are really trying to fulfil our own destiny, to make this a greater country in which to live and a country which will contribute more to society and humanity, they understand. I know that they are willing to understand our concerns and this love of country which we speak about very quietly. They understand our desire to cultivate that which we cherish, because they cherish their own country. Indeed, in many cases, perhaps most cases American businessmen will co-operate with us if we articulate our objectives and provide them with ground rules under which they can function to our mutual profit and fulfilment.

I find this bill, Mr. Speaker, an exciting milestone even in the short period that I have been in Parliament. I am delighted to support this initiative on the part of the Minister of Finance (Mr. Benson) as a major step forward in the enrichment of Canada and of Canadians.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, the Canada Development Corporation could, if handled properly, perform a useful service in helping Canadians to own and control more of the development of this country. It could do this by providing a vehicle for channelling into the development field a large part of the more than $1 billion of savings which we Canadians invest each year, half in new savings accounts, and the other half in new Canada Savings Bonds. These funds are not now available for investment in new ventures because they are controlled by people who do not have confidence in the stock market because they are not familiar with how it operates and, lacking confidence in its operations, are unwilling to entrust their savings to it.

To make investment in the CDC sufficiently attractive to persuade Canadians that they should invest at least part of their savings in it, the government must make such an investment at least as secure and rewarding as the kind of investments which it would seek to replace. In other words, the government would have to guarantee that the security and return on investment are at least as good as the security and return made available by investment in savings accounts and Canada Savings Bonds. If such guarantees are not forthcoming, investment by the public in CDC shares will simply not take place.

If the government guarantees the security and return on investment, I believe that at least half a billion dollars a year could be added to the capital available for investment in new development enterprises, and would make it possible for Canadians to own and control a great deal more of their development. It would do this without impeding in any way the inflow of capital from outside the country which we need, and will continue to need for quite some time, to help us develop our economy at the pace which will maintain employment and our standard of living at the levels at which we have decided we want them to be.

• (3:50 p.m.)

Now, let us have a look at the pressure which the government will have brought to bear on it to buy up Canadian companies which are for sale and appear likely to be taken over by foreign interests. There is no doubt that keeping Canadian companies in Canadian hands is a very desirable objective. However, if in order to do so it is necessary to divert capital which would otherwise be used to promote new Canadian enterprises, we should give the matter careful consideration before deciding to employ our much needed capital in that way.

By using capital to buy a plant which would otherwise continue operation under foreign ownership, we would not provide one additional job, or one additional dollar of tax revenue for this country. The only justification for doing so would be if the operation of such a company under foreign ownership could clearly be demonstrated to be detrimental to the industry or sovereignty of this country. I think it is obvious that, in the overwhelming majority of cases, capital raised by CDC should be channelled into new enterprises.

Let us take a look at the pressure which will be brought to bear on the CDC to bail out companies which, through mismanagement, obsolescence of product, or for other causes are unable to carry on their operations and appear likely to fold up. As soon as the CDC bill passes the House, as the government's majority will ensure that it will, most, and probably all of the Liberal members of this House, will start to be pressured by companies in their ridings to obtain for them CDC financing to keep them operating.

The Minister of Finance (Mr. Benson) will have a parade of Liberal members into his office, each telling him that if these requests are not catered to, the member in question will be defeated in the next election. A turn-down by the minister will lead to an appeal to the national director of the party, who will appeal to the Prime Minister (Mr. Trudeau) on behalf of the member. There is a great likelihood that many of these requests for CDC financing will be met, particularly in ridings that were won by a small majority in the last election.

The result will, of course, be that a great deal of the money which should go into new development will be diverted into bolstering up operations which have been allowed to run down due to obsolescence of product or plant, or for other reasons. If this is allowed to happen, the whole purpose of the CDC will have been destroyed.

Mr. Mahoney: On a point of order, Mr. Speaker. The hon. member appears to have allowed a Progressive Conservative manual to slip into his notes.

Mr. Speaker: Order, please.

Mr. Hees: As the hon. member knows, that is not a point of order. I was speaking from experience in this House. For 20 years I have seen the Liberal party work off the simple principle of the pork barrel. The member for Calgary South (Mr. Mahoney) is very familiar indeed with that procedure.

Some hon. Members: Hear hear!

Mr. Hees: As I as saying before I was so rudely interrupted, Mr. Speaker, the success or failure of the CDC will depend on how the government operates it from the start. It is now up to the minister to tell this House three things: first, how the government intends to offer shares in the corporation so that the public will be persuaded to invest in it; second give a positive assurance that the CDC will not be used to buy back companies which appear to be likely to fall into foreign hands, except where it can be clearly demonstrated that such a company under foreign ownership would be detrimental to the industry or sovereignty of the country.

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

Mr. Speaker: Order, please. I understand the hon. member is seeking the floor for the purpose of asking a question. This can only be done if the hon. member who has the floor at the present time will allow a question.

Mr. Hees: Agreed.

Mr. Francis: I would like to know if the speech from which the hon. member is reading is the same one printed in this morning's *Globe and Mail* as having been delivered in this House yesterday. It reads: "There is a great likelihood—"

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, it is gratifying to learn of the great interest which all Liberal members have shown in the speech that was delivered to the press yesterday by myself and marked "To be held for delivery in the House of Commons" and which by some chance appeared in this morning's *Globe and Mail*. It is interesting to learn that the Liberal members all seem to have read this very excellent speech with a great deal of interest. It has been quoted to me today by innumerable Members of Parliament. I wish to advise them that neither I nor other members of the opposition bother reading the trash which is produced on the other side of the House.

Mr. Speaker: Order, please.

Mr. Hees: It is interesting to see that they are so interested in what we—

Mr. Speaker: Order, please. Perhaps the hon. member who has the floor has been diverted for a moment from the main thrust of his speech. Perhaps we may now return to the bill before the House.

Mr. Coté (Longueuil): We already read it.

Mr. Laing: Throw it in the hopper.

An hon. Member: Why not table it?

Mr. Hees: I am very flattered to know that all hon. members are sitting up, looking up and listening intently. I hope that for once they are learning something about the economy of this country. I am very glad to be able to carry on this lesson which I am giving to them and which they seem to be receiving very well indeed.

Again, Mr. Speaker, as I was saying before I was so rudely interrupted, the third thing that the Minister of Finance must do is advise the House of the criteria on which CDC financing will be decided. This is very important indeed. Until the answers to these questions are known, it will be impossible for members of this House to make a conscientious and sensible decision on the bill before us.

If the government is really sincere in its expressed wish to increase Canadian ownership and control of this country's development, it can take a very simple step to bring back to Canada and make available for promoting new ventures, a large proportion of the half billion dollars a year which we, as individuals and as corporations, invest each year in other countries. The government can do this if the Minister of Finance, when he introduces the capital gains tax which he has made clear he intends to introduce in the budget this spring, will announce that the tax on capital gains which are realized by investment in Canadian common stocks will be only 50 per cent of the tax on capital gains realized by investment in foreign securities.

I am convinced that such a move will be far more successful in persuading Canadians to invest in Canadian securities than has been the special treatment given to dividends from Canadian common stocks. The reason is that those who invest in common stocks are generally more interested in capital gains than they are in dividends, and the fact that the tax they will pay on capital gains realized from Canadian securities will be only 50 per cent of what they will pay on those realized from

foreign securities will be very attractive indeed. If we are able to repatriate a considerable proportion of the capital we now invest in foreign securities, the benefits to Canadian development will be very important.

• (4:00 p.m.)

Now, I would like to deal with the approach of the New Democratic Party to this question as expressed yesterday on behalf of his party by the hon. member for Waterloo (Mr. Saltsman). The hon. member made it very clear that what the NDP envisages is a government corporation which would own and control business operations in much the same way as the provincial government in Saskatchewan did when the present leader of the New Democratic Party in this House was premier of that province.

Several years ago my right hon. friend from Prince Albert outlined to the House the history of the 13 companies which the provincial government of Saskatchewan took over and operated soon after the late CCF government took office. He stated in detail the number of months which each lasted before it folded up, and the losses incurred in each case. The story is one which must not be repeated on the federal scene and is ample warning against adopting the straight socialist proposal put forward by the NDP yesterday.

In conclusion, Mr. Speaker, I urge the Minister of Finance to answer the three questions I have put to him, questions which the government must answer before we are able to judge this proposal in a constructive way. I also urge him to prepare to announce in his budget that the capital gains tax charged on Canadian securities will be only 50 per cent of that charged on investment in other countries, so that hundreds of millions of dollars which we invest each year in foreign securities may be returned to Canada to finance new development in this country.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, it gives me a great deal of pleasure to take part in the debate on the second reading of the Canada Development Corporation bill. I think my first words should be "at long last it is here".

This is a proposal of great promise, and one which a great Canadian who sat for a number of years in this House, Mr. Walter Gordon, first promoted in a major way. That was in 1963 and subsequent years. Many features in the measure now before us reflect features of the earlier bill which he promoted. This is particularly true with regard to the point made in the legislation now advanced by the Minister of Finance (Mr. Benson)—that the corporation's operations are to be founded on sound financial principles, reconciled with the national interest, and that Canadian taxpayers will participate in the benefits of dividends received through the corporation.

I am particularly pleased, having been a supporter of Mr. Gordon in this respect for a number of years, to be able to stand in the House of Commons and express my full support for the Canada Development Corporation as proposed by the present Minister of Finance. It is appropriate that this corporation should concentrate in areas where Canadian ownership is not likely to come naturally. This gives the corporation very wide scope. The Canadian economy is already penetrated to such an extent by foreign ownership and control that it is extremely difficult, particularly in newer, technically-based industries, to expect Canadian business institutions to possess sufficient financial and research capabilities as would enable them to claim a full role. There is, therefore, a need for institutions based in the public sector to associate with privately-owned industries. There is every reason to require that where a public corporation expects to "go joint account" with business corporations in the private sector it should be governed by the profit motive. In doing so, of course, the profit motive must be reconciled with the national interest—this is laid down in the bill—and with the guidelines which Parliament, in debates of the kind we are conducting this afternoon, will be giving to the corporation.

I am particularly happy that the corporation is not to seek operational control except in cases where it initiates and carries out the entrepreneurial function itself. In the normal course of events, one would expect to find this corporation linking itself to the business enterprises of Canadian corporations and, indeed, of foreign corporations in joint ventures. In these circumstances it needs to exercise its influence to see that the national interest is in fact being observed in the pursuit of profit, even though it does not exert over-all management control. I am happy to note the observation of the Minister of Finance that the entrepreneurial function will be, for the most part, discharged by others but that it will, if necessary, be discharged by the corporation.

Another important role to be expected of this corporation is that which relates to the international field. I do not believe we can over-emphasize the importance of launching this development corporation into the world. One of the weaknesses in our economy is the fact that many of our companies confine their operations to the domestic market. Indeed, many of them come to Canada in the first place to surmount a tariff barrier or with the intention of producing solely for the domestic market. We need a corporation which is concerned with rationalizing Canadian units of production and forming them, when this is desirable, into larger corporate structures. More important still, such a corporation should be taking them out into the world economy, into the international market. It would be well to lay great stress on this aspect of the corporation's activities. The CDC could play an extremely important role in the international field by testing the Canadian orientation of some of the subsidiaries of United States companies which operate in Canada, making it clear whether they were operating solely as branch plants or as corporations with some degree of autonomy. If these subsidiaries of foreign parents operating in Canada really have a Canadian orientation at heart and if they have the autonomy to operate in world markets, then are they in fact operating in Brazil, Portugal, France, Europe and other countries of the world? Perhaps they really are here to operate only in Canada?

Are they subject to market sharing arrangements imposed by the parent company and then restricted to the Canadian market? We do not really know. Guidelines are not enough.

• (4:10 p.m.)

One of the functions of the Canada Development Corporation, as I see it, would be to test the Canadian performance and orientation of subsidiaries in our economy by offering to join with them to go out competitively into world markets. In this way, we could find out whether they will go. If they will not, then we do have a case and we will have to deal with that particular case. We will have an instrument to do so in the Canada Development Corporation. This will be appropriate to our national interests. I think that is a function we ought to be stressing in this debate when we consider the role of the Canada Development Corporation. Let me say as well that there is a gap I see in the economic policy of Canada that can be filled to some extent by the Canada Development Corporation in relation to other policies and programs. I have in mind a small business philosophy, small business programs and a set of small business policies which we require in Canada. I do not think we really have approached this need in a systematic way.

What we frequently have in Canada are many small businesses which, having reached a certain stage in their development, find that they need management, that they need better marketing techniques, that they need kinds of financing that are not available in Canada. Very frequently, particularly in new technological areas, we have companies that proliferate. They emerge on the basis of small pieces of new technology. They have highly skilled people and develop new products which they can get into the market on a limited basis. The soon reach a stage where there is a severe temptation to sell out. Selling out in Canada often means selling out to companies which are based outside this country. In the end, what we are really doing is obliging many Canadians to go abroad to find opportunities to make use of their advanced scientific and technical knowledge in suitable businesses. These people go abroad in order to find the kind of business institutions bared on sufficient technical skills and prospects to match their talents. Therefore, I think the Canada Development Corporation ought to have an orientation which includes support for small technically based businesses of promise.

This has often been referred to as a corporation which would be interested in large Canadian projects and in large enterprises, and I suspect that the emphasis on size is there to protect against being plagued with offers from limping businesses, or with pressures to buy businesses which are in trouble or difficulty. I think we have to grasp the potential for good effect on our economy of support for growing small technically based new companies. I say again, particularly with respect to the most advanced and technical fields, that many of these companies begin on a small scale, and build around some particular aspect of emerging technology. The Canada Development Corporation could at least hope to package up some of these corporations into larger management units, get them on a sound financial basis and oriented to markets larger than the Canadian market. This will frequently mean taking positions in small companies, helping them come together through mergers and combinations and encouraging them into external fields.

[Mr. O'Connell.]

Naturally, the functions of the Canada Development Corporation will have to be related in this respect to the Combines Investigation Act or to competition policy in Canada. I trust that we will be able to so arrange our affairs in respect of combines and mergers that we will not be standing in the way of the coming together of many Canadian corporations so that bigger units may be formed in order to face the facts of economic life in the world economy. I want to stress my hope that the Canada Development Corporation will help us develop a small business program, particularly in the technical fields and related to opportunities in the world.

There is only one other point I might make at this time. We in Canada need an industrial or an economic policy of a kind that we have not yet put together. What we have are many pieces of a large picture. We have the PAIT program and we have a whole series of programs in the Department of Industry Trade and Commerce. We have our regional development programs and policies. We have our merger and competition policies, and now we have the Canada Development Corporation with some particular interest in developing Canadian enterprise. We have an emerging policy in respect of foreign take-overs and foreign investment. All of these are necessary elements of something more comprehensive.

What seems to be lacking, in this respect, and I agree with the hon. member for Etobicoke (Mr. Gillespie) who has expressed this a number of times in the House, is an over-all industrial policy into which these pieces will fit. Surely one of the main elements of that over-all policy would be something to help us select priority areas for the future. Should we be involved in electronics; perhaps we should. Should we focus on the communications industry; I think perhaps we should. Should we be involved in oceanology; we should, indeed, because we have coastlines and waterways with resources unmatched anywhere in the world. Should we be involved in the transportation field, the power field and in the nuclear field? I believe we should but we need a searching look at areas of probable competitive advantage to arrive at priorities.

What I mean by an industrial policy is the arrival at some kind of consensus that pulls together these kinds of fields we think hold the promise of life for future Canadian economic development. We would then concert the efforts of corporations like the Canada Development Corporation with combines policy and all other industrial policies. We will have to husband our resources very carefully and we will therefore have to adopt priorities and fit them into an over-all picture. We have to try to build again a kind of national economic policy of the stature of that which was created nearly one hundred years ago under Sir John A. Macdonald.

That policy known as the National Policy very simply set guidelines that helped to build up a Canadian nation.

It was based on railways, tariffs and immigration. There is of course a completely new set of circumstances today, but what I think we have to reach for is an overview leading to a new National Policy. I think the Canada Development Corporation will lead us closer to that particular policy.

This all comes at a time when we can no longer count on the inflows of foreign capital we have counted on in the past. The United States and the United States dollar have come to occupy a place in the world that was formerly occupied by Great Britain and the pound sterling. The United States is going to be obliged to adopt policies in the future with which we are not yet familiar, and in respect of which we now get exemptions because of our extremely close relationship. The U.S. economy can do severe damage to ours if the full force of some of the measures the U.S. may have to adopt in the future to protect the value of the U.S. dollar and to handle their trade balances in the world is applied to Canada.

Now that they have world responsibilities which are new to them, we can no longer afford to be so closely linked to the kind of world policy the United States will have to follow to discharge its world responsibilities. Indeed, these could be very harmful to us. We cannot count on continuing inflows of these dollars or on continued exemptions from general U.S. policies because of our special position. We must have new institutions to generate Canadian savings and put them into the most productive areas of our economy, ensuring also that we have profitable returns from very scarce capital resources. We must, therefore, proceed with haste. There is no time to be lost in launching this particular venture and I return to my opening remarks to state "at long last the CDC is here."

• (4:20 p.m.)

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this bill in respect of the Canada Development Corporation one can be sure he is speaking to a bill that has been under discussion for ten years. Still, it will create an enormous confrontation before it becomes law. Even if it does, it will be years before it is decided one way or the other what the value of the Corporation is or in what direction it will move.

Every so often Canadian governments decide it is a good idea to become involved in big business. This present entry into business means the government is faced with a dilemma. Will it make policy or will it manage? If the government is to be involved in big business by means of the Canada Development Corporation, will it then be embarking on a policy which will result in the affairs of the country being so arranged that the Canada Development Corporation will be placed in a preferred position?

Mr. Walter Gordon, former Minister of Finance, may take some credit for the fact that his brain child, first suggested in 1961, has now come forward as legislation. There are some who say that the CDC, as envisaged in this legislation, is different from that proposed by Mr. Gordon. A close examination, however, would show that in essence they are the same, with all the disadvantages. Mr. Gordon apparently had the idea that the CDC would sponsor and invest in large economic undertakings that would not pay returns for some years in many instances, but which presumably would benefit the country enormously. But the Minister of Finance (Mr. Benson) has stated that his corporation will be profit-oriented, and that the company will have a capitalization of $2 billion which will be put up either directly or indirectly by the Canadian people. Also, it will have the option of acquiring ownership of some presently profitable Crown corporations.

Apparently, Mr. Gordon saw his CDC as acquiring a controlling or substantial interest in Canadian companies, especially those that might have been sold to foreigners or Canadian subsidiaries foreign companies. It is interesting to note that Mr. Gordon and Mr. Melvin Watkins, the arch prototype of the new Canadian neo-nationalism, are both from Toronto and both indicate that the Toronto business interests, with their Montreal and St. Lawrence Valley counterparts, look on their areas as being Canada. Neither one has ever bothered to appreciate the appendages added on by confederation on which they look as areas to be exploited for their benefit in the interests of Canada.

The Minister of Finance claims that his CDC will not aim at buying back companies that have been acquired by non-Canadians, nor will it become a buyer of last resort for companies that are for sale or may be taken over by non-residents. The minister has stated that the CDC will be entirely free of political interference. Yet, at the same time, he also says the government will always be the largest shareholder. One well may ask in all seriousness how can it be expected that there will be no political pressure exerted on the CDC?

Very recently in this very House there was an outcry against the sale of an old, established Canadian publishing company to U.S. interests. Had the CDC been in existence, would there not have been pressure on it to buy up this company to keep it Canadian, profitable or not? And if the CDC had resisted this pressure would it not have come under severe criticism? Its prime purpose, by its very nature, must be to pursue national policies; otherwise, it would have no relevance to the national scheme. It certainly will at all times be urged to invest in business that private enterprise cannot or will not support. How this can be reconciled with profit making must be answered.

Now, the great appeal of the nationalist thinkers, concerned with foreign ownership, is that the CDC, functioning as a buyer of last resort, would actually block the acquisition of control by outside capitalists. The CDC under the new proposal is to provide opportunities of investment for people of small means. It is hoped there will be a rush of people with their $5 bills to invest and to secure a return on their savings. But if the CDC were to buy at the highest price for a political purpose, it would be much more likely to lose money than make it and, as well, the taxpayers, being large shareholders through the government, would lose also.

So, one can see the dilemma of the Minister of Finance and his argument not to become a buyer of last resort and not to be a tool of government policy, but instead to be an instrument for the mobilizing of our savings. The CDC is to be a large-scale source of capital to create major new enterprises, or to strengthen old ones, by means of all sorts of devious ways and with superb management. It will use its funds in concert with other investors to acquire existing companies and to make them more profitable, more competitive and so on, and thus goodness will follow in a nationalistic sense.

But even the former minister, Walter Gordon, on October 7, 1965, said:

> The management of the Corporation must be guided in all its investment decisions by the criterion of long-term profitability. The over-riding objective of the CDC must be to satisfy the normal interests of its shareholders.

The bill, as drafted and presented, would seem to create an impression of change, that this company is not to be a Crown corporation and will not have to report to Parliament. I would presume the minister hopes that this subterfuge will make it less subject to political pressure. The idea that the investments shall be carried out by the CDC in the interests of profit making bears a little examination. Everything we do, whether private or public, is considered to be useful and to be profitable. Every investment we make we would hope would come out in the black. The former CCF government in Saskatchewan also hoped its blanket factories, its woodworking factories and its boot factories would be profitable, and no doubt was genuinely unhappy when they did not return a profit and had to be closed. Many times the government's judgment of profitability turns out to be merely hopeful, and many times just wishful thinking.

Because the government will be the largest investor it will certainly be under pressure whether it reports to Parliament or not. There is always constant exhortation at times to come to the aid of a private company, or sometimes even deter it. Just recently we had an example. Quebec has a development corporation. In 1966 it bought the Sogefor veneer plant at Maniwaki at a reported purchase price of $1.5 million. But the veneer plant has not been a success and has been losing money. Apparently, Quebec was ready to sell the firm for $500,000 to a U.S. firm. Local citizens have been up in arms urging Mr. Bourassa to intervene, and the same thing was asked of the minister in charge of Regional Economic Expansion (Mr. Marchand). Ottawa, at the present time, has no responsibility for the problems of Quebec but it would have if there were a CDC.

Then there is the problem of the External Affairs Committee. The committee suggests Canada establish a Canadian ownership and control bureau which would have the duty of safeguarding Canadian interests. Would not this control bureau exert on the CDC considerable pressure to have it intervene in areas that were dear to the hearts of the bureaucrats in the new agency that is still to be born?

Now what is the purpose of establishing a massive new investment company, distinguished from all the gigantic

mutuals and so on, by massive government participation? We have the explanation that we are not generating enough savings and will be encouraged to do so by the existence of the CDC. In the beginning, at least, the government is to put up $250 million of equity capital which must come from the taxpayers. There could be much better ways in which investors could likely be induced to save, such as by tax cuts; but that avenue has not been favoured very much by the Minister of Finance. Even without the CDC, we find many opportunities for savings listed on all the business pages of every newspaper in the land. But we have consistently, in our new society, reduced the need for saving. After all, everyone who saves does so largely for a specific reason such as a bigger house, a car, the education of his family, for his old age, for sickness or for periods of incapacitation when he might be out of work. But our society has stated that all these things should be looked after as a matter of right. There is no point in saving for hospitalization which is paid for by the government through the taxpayer. The new white paper on unemployment is a form of guaranteed income, and by being made universal it guarantees that the individual, whether or not he makes himself available for work, will have benefits for many months.

• (4:30 p.m.)

Old age pensions and the guaranteed supplement are designed to help those in severe need. The Canada Pension Plan is designed along the same lines. Indeed, those on modest and low salaries could not hope to accumulate nearly the amount of money necessary to provide an income that these benefits provide. It seems doubtful that the many little people who make up the vast majority of our population will bother to bring their $5 forward so that the CDC will have its capital to carry on all the good things that it is supposed to do. People will not likely change their habits so that a great volume of savings can be accumulated if they are required to eat less, to give up new automobiles, new television sets, and so on. Indeed, if there were no new television sets, what would happen to the CBC? It seems unlikely that there would be any increase in the total volume of savings because the dollar cannot be stretched or invested in two places at one time any more than it could in the past.

In the matter of the CDC taking over the very profitable Polymer and the Northern Canada Power Corporation, there seems to be some inconsistency. Polymer has returned, after income tax, profits averaging almost $10 million a year for the past few years. According to the bill, the government will sell Polymer to the CDC at a fair and reasonable price to be agreed upon by the Governor in Council, that is the capital stock of Polymer. In a normal transaction, the seller seeks as high a price as possible, while the buyer seeks the lowest. In this case, the government has the duty to its taxpayers to secure the highest possible price for Polymer, but it is a case of the government negotiating with itself. Even if a private corporation were to bid for Polymer, apparently there is no means provided in the bill for a private interest to buy Polymer since that is to be the exclusive right of the CDC.

It is interesting to speculate on what would happen in the case of Home Oil, a subject which the House debated last week at some length. We were told by the Minister of Energy, Mines and Resources (Mr. Greene) that the U.S. owned Ashland made an attractive offer for Mr. Brown's holding and Cygnus. What would happen if the Canada Development Corporation entered a counterbid? By so doing, it would at least maintain the right of sale to the highest bidder. Or would it? Not if Mr. Brown were required to sell only to Canadian interests. In these circumstances, the CDC would only have to set its bid slightly higher than the highest Canadian bid. This would only be in part less satisfactory than being forced to sell to the Canadian bidder. Let us suppose, then, that CDC did offer the highest bid. Is CDC equipped to operate in such a high risk area as oil and gas, exploration and development?

Mr. Brown built up Home Oil by his willingness to take extreme risks. Perhaps he was also lucky. He played for high stakes with his own money and the money of others who knew what the odds were in that highly demanding business. Is CDC prepared to do this, at least in the beginning, with taxpayers' money? It is not likely that it would be prepared to do this. Home Oil, under CDC ownership is not likely to grow. Perhaps it could maintain itself for a while. Most oil companies must either continue to grow or must face slow death. What would this action have done for the Canadian economy? Very little, except to channel resources that could well have been used in more fruitful areas of the Canadian economy.

There seems to be little sense in having this bill clutter up the Order Paper at this time when we have a government reorganization bill that goes a long way toward revamping the whole government process. Furthermore, the superannuation changes in this bill will create a whole new concept in the civil service. There are many other aspects of Canadian life that are important and need attention, not the least of which is whether we have a centralized or a decentralized form of federalism. The CDC makes little sense. If it is aimed at appeasing the economic nationalists within the country, it will be only window dressing.

The CDC cannot hope to begin to cover those areas where activity in foreign takeover might be considered to be disadvantageous to Canada, unless it is aimed at taking over the whole economy. It would be much better if the government, in its handling of foreign capital, confined itself to making policy rather than attempting to manage individual businesses. Rules and regulations for foreign capital would be much more effective and give the government a better over-all perspective and judgment in the national interest. Crown corporations would deal in those areas where these rules and regulations would not apply. So far as economic nationalism is concerned, the CDC will not accomplish what the government hopes it will, even if it were possible to arrive at a consensus.

To those who see the CDC as a means of attracting many small investors, let me say that it seems doubtful that it will significantly increase their participation. The way to increase savings is to make a bigger pie. The CDC will do nothing to increase the size of the pie. As I stated previously, the government, through its proposed white paper on taxation and many other ways, has indicated that it does not regard personal savings as being particularly desirable. Instead of setting up the CDC, progressive tax changes would be much more effective in increasing the volume of savings that the Canadian people might generate.

Mr. Speaker, I regard the bill establishing the CDC to be not particularly desirable at this time.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I feel compelled at the outset to say a few words which I hope will somewhat recast the rather distorted picture of the Saskatchewan economy, as it was under the CCF government, painted by the hon. member for Prince Edward-Hastings (Mr. Hees) and the hon. member for Dauphin (Mr. Ritchie). Each of those hon. members, in remarking upon the technique of public ownership, trotted out the hoary old bogeyman of the Saskatchewan boot factory as proof positive that it does not work. That is about as logical an approach to discrediting public ownership as it would be for me to spend some time citing the numerous private bankruptcies that occur in this country daily and weekly in an attempt to discredit the private sector of the economy. Surely, the point is that taken in total public enterprises in Saskatchewan had provided by 1960 a profit of approximately $22 million to the Saskatchewan people. Surely, the point is that in the 20 years in which Saskatchewan was under the management of a democratic socialist government it changed in character from a "have-not" province, one of the least economically developed in the country, one with some of the greatest social and economic problems, to a province which in 1964 under a new tax sharing agreement was designated as a "have" province.

Let me now turn to the bill creating a Canada Development Corporation which, perhaps better than any other piece of legislation placed before the House in recent years, illustrates the fundamental and irreconcilable differences between the New Democratic Party and the Liberal government. Faced with three economic problems of almost overwhelming proportions, the government has chosen the totally inadequate device of creating yet another private mutual fund to meet them. The problems to which I refer are the rapid and now almost irreversible trend toward foreign ownership of our economy, vast disparities in wealth and economic development as between the various regions of this nation, and our seeming inability to create the jobs necessary to accommodate a rapidly growing labour force and the needs of people being forced out of work by automation.

This government has consistently relied, for purely ideological reasons, I suggest, upon the private sector to discover solutions to the problems, and hence has never advanced beyond indicative planning in its own efforts to solve them. The government has been consistently disappointed by the private sector in each of its efforts, but

here again in this legislation it expresses its naïve and somewhat pathetic hope that its friends and allies in business will, for a change, deliver. I say naïve and pathetic because one need only look at the monumental disasters which are the DREE program and the voluntary restraints program of the Prices and Incomes Commission, in order to see that such an approach has never worked and is never likely to work.

The Minister of Finance (Mr. Benson) is presenting us with a bill which will create a private corporation completely beyond the influence of the government, motivated solely by the desire to maximize profits, and through some mental sleight of hand which I am totally incapable of following, suggests to us that this corporation, no different in any essential characteristic from any other Canadian corporation, will somehow accomplish what they have been unable to do, that is to see that the future development of our economy will take place under Canadian auspices, that the economy will be rationalized, and that Canadians will be made full partners in the economic development of the nation and, further, that it will develop a powerful and highly effective entrepreneurship. I predict that the success of this corporation in each of those areas of endeavour will be only marginal because the major purpose of the corporation will be to maximize its profits. Whenever the goal of maximization of profits comes into conflict with another objective, such as ensuring that future development of the Canadian economy takes place under Canadian auspices, profit will win.

• (4:40 p.m.)

In contrast to the government's conception of the Canada Development Corporation as another pool of private capital which it hopes will be employed in the national interest, the New Democratic Party has embraced the concept of a Canada Development Corporation which would be the key element, the key mechanism for implementing the planned development of our economy.

In Bill C-204 my colleague, the hon. member for Waterloo (Mr. Saltsman), has set out the objectives which we consider to be proper for a Canada Development Corporation. Mr. Speaker, I think it might be useful if I read them into the record. In clause 4 of that bill it is stated:

> The objects of the corporation are:
>
> (a) to mobilize private funds and to channel them into investment serving the public interest of Canada as a whole;
>
> (b) to expand the public sector of the economy where necessary for the growth of the economy, for national planning and for increasing Canada's independence; the Corporation may also enter into consortium arrangements with private concerns where it has or can acquire effective control;
>
> (c) to act always as an instrument of government planning and development policy and be directly responsible to Parliament through the Minister;
>
> (d) to stimulate the rationalization and greater specialization of industry in Canada in order to create a more productive economy;
>
> (e) to be involved in regional development policies with provincial bodies and agencies in order to insure that every part of Canada capable of supporting viable development is extensively involved in the industrial future of this country;

> (f) to promote worker participation plans in enterprises established or assisted by the Corporation, as a model for such plans in industry generally;
>
> (g) to finance and develop new initiatives in research, scientific and technological developments which will increase the ability of Canadian industry to specialize and compete in world markets;
>
> (h) to assist companies and individuals to fashion economic opportunity out of inventions and to ensure that Canada derives the benefits therefrom.

In his speech last evening, the hon. member for Waterloo elaborated on each of these objectives and so there is no need for me to do so again here. Suffice it for me to summarize by saying that we conceive of a properly constituted Canada Development Corporation as being the major tool to be employed in correcting regional economic disparities, in repatriating our economy, and in bringing a halt to the export of jobs through the exporting of raw materials by developing secondary industries closely allied to our resource extraction industries. We see a properly constituted Canada Development Corporation as being a replacement for the ineffectual programs of grants in aid to private industry now being employed by the government through DREE and other programs in a fruitless attempt to overcome regional economic disparities.

We also see a properly constituted Canada Development Corporation as being the potential answer to many of the problems with which the Minister of National Revenue (Mr. Gray) must attempt to deal in his long-awaited white paper on foreign ownership. In short, we see a necessity to create a Canada Development Corporation which is financed by the public purse, controlled and directed by the elected representatives of the people of Canada in the interests of all the people of Canada. I have no hesitation in saying this because it is a basic premise of a democratic socialist party that the people of a nation possess the right and the power to agree on the use of their human and material resources through political decision. In this way they determine the nature and the purpose of their existence.

Our major national goals have remained unattained by governments traditionally allied to corporate interests. The major decisions affecting our lives are still being made on the basis of equating the profit of corporations with the good of humanity. Problems such as pollution and foreign ownership must by now have made it manifestly clear that we cannot rely on private enterprise alone to give us an economy designed for Canadian needs and to meet the normal human goals and aspirations which are part of each Canadian.

We say that in order to be worthwhile in any meaningful way, the CDC must be an instrument of public policy capable of responding to direction from the government of Canada. The CDC created in this bill manifestly is not, and I say so for the following reasons: First, the bill specifically states the corporation is not to be an agent of Her Majesty. Second, the bill specifically excludes the corporation from surveillance of Parliament. Third, in the creation of the board of directors the bill permits only a maximum of four directors to be appointed by the

government of Canada, whether the board is composed of 18 or 21 members, and even then the government of Canada has the option to appoint four directors only in lieu of exercising its voting rights which come with the holding of voting shares in the corporation. Fourth, clause 42(3) would seem to indicate that the Crown's portion of the voting shares may be allowed to drop below the 10 per cent which the bill suggests to be desirable, thus even further weakening the potential control which the government might exercise over the decision making processes within the corporation. I suggest that taken together these four points demonstrate that the corporation will be no more subject to public control than is Canadian Pacific Investments or Argus Corporation.

In short, the first major objection of the New Democratic Party to this bill is that it does not represent a major step towards meeting our three major economic problems, foreign control of the economy, regional economic disparities, and the need for more jobs. We believe that a Canada Development Corporation as we conceive of it would go a long way towards solving those problems. Our second major objection to the bill as it now stands is equally illustrative of the differences in approach to government between the New Democratic Party and the Liberal government. Our second objection is an argument based upon considerations of equity.

The corporation as conceived by this bill will use as its nucleus tax revenue in the amount of a quarter of a billion dollars over three years, money which will come from all Canadians, including the poor and the economically marginal, who have no money to invest because all their money goes for essentials and for the payment of taxes. This money will be put at the disposal of those with enough surplus money to indulge in investment, so that the money collected from all income groups will be put at the service of a minority who are neither poor, unemployed nor underprivileged. It is difficult to discover any element of equity in such a proposal.

To approach the same point from a different angle it is obvious from a reading of the bill and from unequivocal statements made by its sponsor, the Minister of Finance, that the corporation is simply to be a profit making venture. If we need documentation of that I can refer to clause 6(1) of the bill in which it is stated:

> —and shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole.

And clause 6(2):

> —so far as it is practicable and profitable to do so—

And clause 6(2)(b) dealing with restriction of investments to corporations where shareholders' equity is likely to become greater than one million dollars.

• (4:50 p.m.)

Taking into account the emphasis which is placed upon profitability by this bill, I suggest that the objectives of the Canada Development Corporation could be achieved equally well, perhaps better, by making the same funds available to Argus Corporation. The minister can argue that shares will be offered to the public of Canada, but here it is a demonstrable fact that only 7 per cent of Canadians involve themselves in such speculation. Where is the equity?

Moreover, the bill makes it possible for the corporation to purchase several Crown corporations whose profits have hitherto gone into the general revenue to be applied to the general advantage of all Canadians. I am speaking of Polymer Corporation, Eldorado Mines and the Northern Transportation Corporation. In addition, of course, there is the potential for Panarctic Oils and the Northern Light and Power Commission to be purchased by the corporation. Hitherto any profits made by such ventures would have gone into the general revenues of the country and would have been employed for the benefit of all Canadians. This bill would permit those profits generated because of a collective effort on the part of the Canadian people to be distributed exclusively among that small group of Canadians in a position to purchase shares of the Canadian Development Corporation. Where is the equity in that kind of situation?

I believe, Mr. Speaker, that I have said enough to indicate my reasons for supporting the amendment presented by my colleague from Waterloo (Mr. Saltsman), and to explain my fundamental opposition to the bill as it stands. I am sure that my colleagues who will follow me will go into other details of the reasons for our opposition.

May I, in conclusion, quote briefly from the transcript of the CBC viewpoint program of January 27, 1971 in which the speaker was Mr. Claude Henault:

> The faults of the Canada Development Corporation plan will become glaringly obvious the day the first corporation holding is sold to a U.S. corporation for profit reasons; the day Polymer, Eldorado and Panarctic, which (the money of the people of Canada developed) pay profits not to (all Canadians) but to a limited number of investors. On that day the Liberal Party will realize that in establishing the Canada Development Corporation it hung an albatross around its neck.

I couldn't improve upon that statement.

The Parliamentary Secretary to the Minister of Regional Economic Expansion in his earlier remarks said in effect: "Thank God the Canada Development Corporation is finally here." He referred to the initial conception of Mr. Walter Gordon and implied to the House that Mr. Gordon probably shares in the delight of hon. members on the other side in this bill. I would suggest to the parliamentary secretary that this bill is but a pale, pale reflection of that which was prepared for introduction in this House in 1963 by Mr. Gordon. I would further suggest that Mr. Gordon is likely to deny paternity and in so doing I believe he would be entirely right.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise to take part in the debate on Bill C-219, an act to establish the Canada Development Corporation. As a taxpayer, the first question is whether or not the Canadian government should be getting involved in this sort of corporation? It is time we took a good, hard look at some of the existing Crown corporations and government projects and asked ourselves whether it is the function of

government to get into fields which are better handled by the businessmen or even left alone altogether. For example, it is quite acceptable for the National Film Board to produce documentaries aimed at encouraging tourism in this country, but by what right does the government use public funds to produce nudie flicks and the film called "Neighbours"? It has no more right to do this than it has to start producing dresses for sale.

It should be apparent that, if a project is any good at all, the funds will be forthcoming from the private citizens. Whenever it is necessary to force funds into the project from taxation dollars, it invites the supposition that the project is not viable and is therefore undertaken for one of the following reasons: First, although uneconomic in itself, it is necessary for the over-all requirements of Canada; second, it is being undertaken as a give away by the government as a means of ingratiating itself with sectors of the voting public. The former is fully justified and should be in the form of a non-profit operation designed only to carry out the specific task and not to emerge as a full-blown business enterprise. The latter, under the present government, seems to be unavoidable but still remains unacceptable to the Canadians whose tax dollars are being misused in this way. In brief, the public's money should never be used to bolster competition against the taxpayer himself.

If this policy is not followed, we have the situation, already existing, where the Canadian taxpayer is being forced to supply the capital from his taxes for competing enterprises. It is not unknown for Crown corporations to fail. The unfortunate taxpayers are again required to dip into their pocket to bail them out, knowing full well that they could have made a better job of these enterprises themselves. Clause 2 reads:

> The purpose of this act is to establish a corporation that will help develop and maintain strong Canadian controlled and managed corporations in the private sector of the economy and will give Canadians greater opportunities to invest and participate in the economic development of Canada.

The concept of the CDC is sound, provided that it does not compete with the business people of Canada.

Mr. O'Connell: Mr. Speaker, would the hon. member permit a question?

Mr. Deputy Speaker: Order, please.

Mr. Paproski: Not in the time I have left now, Mr. Speaker.

The Corporation must not be used as a dumping ground for existing government failures. There will be a tendency, during the clamour and glamour of creating this corporate Sir Galahad who will defend our shares against the invasions of tarnished, blood-sucking, identity-destroying, but badly needed, foreign capital, to slide a couple of the government's duds under the blotter and to hope that they will go unnoticed.

Some hon. Members: Hear, hear!

Mr. Paproski: This must not be allowed to happen, and all the many rules and requirements demanded by the Minister of Consumer and Corporate Affairs (Mr. Basford) regarding full disclosure by other corporations must apply in their entirety to the CDC. A full scale prospectus must be issued, not only for the purpose of inviting subscription for shares of the corporation but also to let the people of Canada know where the extra money is going to come from, if the capital subscribed is not sufficient to carry out its plans or if the corporation becomes solvent. Again, if government guarantees are contemplated the nature must be fully explained and a statement given as to what government guarantees will be available to other private corporations in similar circumstances.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—Trade—Development of US markets for Atlantic provinces, products—transportation facilities; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Administration of Justice—federal intervention in action brought by teachers respecting British Columbia Order in Council; the hon. member for Portneuf (Mr. Godin)—Income Tax—new assessments for 1968 and 1969.

It being five o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper, namely, public bills, private bills and notices of motions.

• (5:00 p.m.)

PRIVATE MEMBERS' PUBLIC BILLS

CRIMINAL CODE

AMENDMENT RESPECTING MALTREATMENT OF CHILDREN

Mr. R. R. Southam (Qu'Appelle-Moose Mountain) moved that Bill C-28, to amend the Criminal Code (Battered Child) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I wish to rise in my place this afternoon to support the principle outlined in my private members' bill, C-28. At this time, Mr. Speaker, may I take the opportunity of personally thanking the seconder, the hon. member for Dauphin (Mr. Ritchie), who is a physician and who fully appreciates the importance of this bill. In view of the importance of this bill, and for

the sake of brevity, may I read the amendment and then refer to it at greater length. The bill reads as follows:

BILL C-28

An Act to amend the Criminal Code
(Battered Child)

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. The *Criminal Code* is amended by inserting therein, immediately after section 189 thereof, the following:

'189A. Every one, being a person entitled to engage in the practice of medicine under the laws of a province, who fails to report, within seven clear days of the day he has knowledge of the facts, to the Attorney General of that province any bodily injury to a child which, in his opinion, may have ben caused by maltreatment, is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment.'

More and more Canadians, Mr. Speaker, are becoming deeply concerned about the increasing number of children who are being seriously abused and, in many cases, permanently maimed as a result of maltreatment by their parents or guardians. It is in order to rectify this situation to some degree that we should place a deterrent in the law. The bill seeks to amend the Criminal Code to require a member of the medical profession to report to his provincial Attorney General within a week any bodily injury to a child which, in his opinion, may have been caused by maltreatment. In the course of centuries, progress has been made in protecting the interests and well being of children. One can compare the situation today with earlier periods when parents used to wield absolute power over their offspring's life and death.

Despite considerable social and legal progress in the protection of children, the problem of their physical abuse continues to cause serious concern in present day Canadian society. The growing awareness of and the increasing interest in the phenomenon of child abuse on the part of physicians, educators, social workers and lawyers as well as the public at large, must lead to the enactment of legislation requiring medical personnel to report incidents of suspected physical abuse of children to appropriate authorities. Child abuse legislation is essential.

I would like, Mr. Speaker, to outline briefly the purpose of this bill. The purpose of this bill is to require a member of the medical profession to report to his provincial Attorney General within a week any bodily injury to a child which, in his opinion, may have been caused by maltreatment. The provincial Attorney General would then be in a better position to protect children, to lay the appropriate charge and to ensure the future protection of the child and any other children in the custody of a person afflicted with a 'battered child' syndrome.

The objective of reporting legislation is to improve mechanisms for case finding and to assure protective services for the abused child, his siblings and his parents. A secondary purpose will be to obtain a better understanding of the extent and nature of the phenomenon than is possible when only a few selected cases come to the notice of health, education, welfare and law-enforcement authorities. In the United States, reporting is mandatory in all but six states, Alaska, Missouri, New Mexico, North Carolina, Texas and Washington. The swift passage of legislation in the 1960's has made it possible to obtain systematic information on the number of legally reported incidents of child abuse throughout the United States. In this way, a study of the causes, distribution and families involved can lead to solutions of this very serious problem.

This bill will become the first step to redress the conditions which still allow child battering to happen time and time again in this country. It is a very sad situation when a battered child re-appears successively three or four times to be treated in hospital without any steps being taken to stop these actions. This is done, not because doctors are not conscientious, but because parents or relatives or authorities who bring the children to a doctor for treatment are not required to return to that doctor they may send them to a new doctor. The lack of a registry of these cases renders checking up very difficult if not impossible.

Commenting on the problem, a Regina doctor had this to say: "People who maltreat children rarely bring the injured child back to the same doctor. The result is that a doctor believes he is dealing with a first instance every time. It is a pity there isn't some way in which information on injured children could be circulated among the medical profession." Clearcut legal procedures which demand that the doctor report the use of physical force is likely to produce the strongest possible reduction in the incidence and prevalence of physical abuse of children. Doctors and hospitals can play a vital role in promoting child safety. The Department of Health and Welfare should meet the provincial authorities so that hospitals can develop procedures for handling suspected cases of abuse. The physician needs and deserves support in this field. This bill affords him exemption from suits since he will be acting according to the law and will encourage reports of cases of abuse.

One may well ask, why do we need a federal bill? Some provinces have enacted legislation protecting persons reporting cases of child battering. This protection exists in Ontario, Alberta and Nova Scotia. But there is a clearcut need for a criminal code provision to provide both uniformity and better protection for both doctors who report and children who are battered. The existence of legislation on child battering can, in itself, be a deterrent. It will deter the cultural attitude permitting the use of physical force in child rearing.

The Canadian Medical Association, along with many other professional associations, has pressed for legislation on this problem. I propose then that the bill being debated today be sent to committee, where representations by experts will demonstrate how essential legislation is on this issue. I believe this to be a worthy and important amendment to the Criminal Code, and I commend this bill for the serious consideration of all hon. members.

Mr. C. Terrence Murphy (Sault Ste. Marie): Mr. Speaker, I, too, am most sympathetic about the problem raised by the hon. member, the problem that has become known as the battered child syndrome, as well as about some other problems that the bill attempts to solve. The problem of the physical abuse of children is very old. It dates back to the time when the father had the power of life and death over his child, to the time when parents used to sell their children into slavery and to the time when some fathers went so far as to mutilate children purposely so that they might evoke more pity from alms givers. That this problem is still with us despite everything we have done about it is made abundantly clear in an article in *Newsweek* magazine of June 3, 1968, which reads as follows:

> Now that many of the older childhood diseases have been brought under control, pediatricians are paying increasing attention to the battered child.
>
> 'More children under 5 die every year from injuries inflicted by a parent or guardian,' reports Dr. Ray E. Helfer of the University of Colorado school of Medicine, 'than from tuberculosis, whooping cough, polio, measles, diabetes, rheumatic fever and appendicitis combined.' Although complete figures aren't available, Helfer estimates that at least 60,000 children are wilfully beaten, burned, smothered and starved every year in the United States.

The difficulty really is this: this type of abuse usually is not deliberate, in the sense that it was deliberate in the old days when a father injured his child in order that its injuries might evoke sympathy from the alms giver. The syndrome, as it is known today, arises from parental inadequacy, immaturity and a lack of ability to cope with the problems of today. These parents are people with problems. They have personality defects. They are neurotic, emotionally disturbed and some are mentally ill. To give an example, I wish to refer to an article on this subject which appeared in the November 7, 1969 edition of *Time* magazine. I quote:

• (5:10 p.m.)

> In a study of 60 families with battered children, University of Colorado Psychiatrists Brandt F. Steele and Carl B. Pollock discovered one characteristic all these parents had in common. As children, they had been battered themselves, either physically or emotionally:

The article continues:

> The pattern repeats itself when such children grow up and have children of their own. Overdisciplined and deprived of parental love in their infancy, they look to their own children for what they missed.
>
> Such parents feel in effect that a baby who wets his diapers or hurls his Pablum at the ceiling is demonstrating that they are failures as parents. One young mother went into an all-day fit of hysterics because her young son refused to keep his coat on outdoors. Another told Colorado's investigators: "I have never felt really loved all my life. When the baby was born, I thought he would love me. When he cried, it meant he didn't love me. So I hit him."

This battering and deviant behaviour is an outer symptom of something wrong mentally or emotionally. Parents who abuse children are people who react violently to their own unmet needs. They need outside help. Who are these adults? Strangely enough, 50 per cent are male and 50 per cent are female. The average age of the mothers is 26 and the average age of the fathers is 30. They are labourers, farmers, blue-collar workers, white-collar workers and top professional people. Some are in poverty, some are relatively wealthy, but most are in between. They live in large metropolitan areas, small towns and rural communities. Education ranges from partial grade school to advanced post-graduate degrees. It is clear that age, race, sex, economic level and occupation are not in themselves signs of the child abuser.

[Mr. Southam.]

I wish to refer to a paper prepared by the Children's Division, The American Humane Association, in 1968. I quote:

> Early in this decade, the child victim of parental abuse was labeled "The Battered Child." Much has been written and said about the "Battered Child Syndrome", that constellation of symptoms which, viewed together, unerringly point to a medical diagnosis of a physically abused child. Thanks to the medical profession the multi-faceted problem of the battered child has been given national recognition as a community problem of high priority order.
>
> In medical conferences at state, regional and national levels and in the many state and local medical journals this has been a topic about which the profession as a whole has expressed great concern. The matter has been given even greater emphasis by pediatricians and roentgenologists in hospitals and clinic settings who are recognizing a responsibility toward the abused child—a responsibility which for too long has been ignored. Their concern stems from the fact that they frequently fail to properly diagnose the "Battered Child Syndrome" for what it is because they accept the glib stories of parents about the injuries resulting from accidental cause.
>
> Numerous articles in medical journals place responsibility on the medical profession for properly identifying and diagnosing these conditions and for alertness to the signs and symptoms which spell physical abuse of children. These articles also express frustration in that when such cases are found, the community is often ill-equipped to fully protect and safeguard the welfare of these children.

I have been speaking about the battering parent. The real object of our affection should naturally be the child. How can we protect a child against this abuse? Studies have indicated that throughout this country and the United States there is no single pattern, but a number of approaches. Children's Aid Societies and children protection services are found in various cities, states and provinces. We try to help the child in other ways, such as through the use of the juvenile courts. Finally, there is the role of the police and the prosecutor, the criminal law, to punish the abuser of children.

The Children's Division of the American Humane Association states that prosecution of parents is least likely to provide proper protection for the child. There are a number of reasons. First, in any prosecution in a criminal court, the Crown or the prosecutor must prove the guilt of the accused beyond a reasonable doubt. In child abuse cases, this is often impossible, because the parent who is going to bat his child is not going to do it on Wellington Street on the Sparks Street Mall. The battering takes place in the privacy of the home. Therefore, obtaining proof which will result in a conviction is most difficult. In most cases where this procedure has been followed, no conviction has been registered. The parent trots out of the courtroom free.

As a result of this, the hazard to the child is increased. First, the child continues in the custody of the parent who has been acquitted on a charge of battering and is, therefore, available to be battered in the future. Second, there is a bitterness on the part of the parent which is likely to be expressed in brutality toward the child in the future. Third, the parent who has been acquitted of this behaviour sometimes looks upon his acquittal as a licence to continue this behaviour in the future. As a result of these prosecutions, in many cases the state of the child is worse than before the prosecution was instituted.

There is another problem with prosecution as opposed to treating outside the courts. If a parent who is inflicted with this illness, I will call it, knows that if he goes to a doctor, the doctor must report his behaviour to a police agency, it is highly unlikely that the parent will bring the child to a doctor or to any medical person. He knows that he might likely be charged if the child is presented to a doctor. Although the child may need medical treatment, that treatment is not forthcoming because of the fear of the parent.

Prosecution leads to another aspect. Prosecution brings with it punishment. Under our Criminal Code, parents who are guilty of battering or striking their children are subject to penalties, either fines or imprisonment. This type of punishment does not get to the root cause of the battered baby syndrome. The root cause is mental and emotional instability and we shall never get at this by prosecuting the parents. The bill before us would make it compulsory for a doctor, within seven days, to report to the Attorney General of the province any injury to a child which in his opinion might have been caused by maltreatment.

• (5:20 p.m.)

With respect, I cannot agree that a doctor should be required to report to the Attorney General. Implicit in this arrangement is the idea that the Attorney General will then take action against the parents; the Attorney General is a prosecutor, an enforcer of the law. To support my position, I should like to quote from a paper prepared by a Dr. Schlesinger, an assistant professor in the School of Social Work at the University of Toronto—or he was in 1964 when this paper was prepared. He states:

> Many authorities in human welfare, including doctors, lawyers, judges, social workers and other child care experts, have felt that we need to introduce strict laws to deal with "child cruelty".
>
> Doctors, probably more than any other group, are a prime source for "finding" abused children because children are brought to them for treatment. Doctors are also best qualified to determine whether injuries are the probable result of accident or physical abuse. Therefore, it is necessary that they be legally freed to take responsible action on behalf of abused children, and for reporting these cases to an appropriate agency. That agency will then accept responsibility on behalf of the community to fully protect the child.
>
> Such legislation must be directed to medical practitioners and hospital personnel coming in contact with children for the purpose of examination and treatment of injuries sustained allegedly from accidental or other causes.

He goes a step further, as I would. Not only doctors but hospital personnel should be required to report such cases.

> Our doctors and hospital personnel should have mandatory responsibility for reporting all cases of child injury where medical diagnosis and findings are incompatible with alleged history of how injuries were sustained and the syndrome leads to the inference of "inflicted injuries".
>
> Doctors and hospital staff members reporting cases of suspected inflicted injuries should be made immune to possible civil or criminal action for the disclosure of matters which might be considered confidential because of the doctor-patient relationship.

This is a key point, because in the absence of this immunity I doubt whether any doctor would report. Unfortunately, the federal Parliament cannot confer this immunity from civil prosecution; only the provincial parliaments can do that. The writer of this paper continues:

> All reports of cases of suspected inflicted injuries should be made to the public or voluntary Child Welfare service which carries the child protective function in the community.

In other words, Dr. Schlesinger says there should be a mandatory report and that the report should be to child welfare agencies who would then take responsibility for the child in question. And this is what we are trying to do, help the child. Supposedly, and hopefully, these agencies would also direct the parent to the proper medical authority for treatment.

Finally, the doctors or the hospital staff concerned would be protected from any civil or other proceedings which might result from their actions in making a report. I submit that the bill we are considering does not meet these standards. I maintain we should work together to bring pressure on the Minister of National Health and Welfare (Mr. Munro) and on the Minister of Justice (Mr. Turner) to get together with provincial ministers so that in every province there would be legislation making reporting mandatory in such cases, and providing for immunity from civil action. In this way, each province would afford to children the protection which is necessary and which only the province can provide.

As the hon. member stated, there is already some legislation in effect in Canada. In British Columbia there is the Protection of Children Act which requires every person having information of the abandonment, desertion, physical ill-treatment or need for protection of a child to report the information to a Children's Aid Society or to the Superintendent of Child Welfare or his duly appointed representative. This provision applies notwithstanding that the information may be confidential or privileged. The punishment for breaking a provincial statute is a fine not exceeding $500.

In Alberta, there is a child welfare act, section 39(1) of which states:

> Every person having information of the abandonment, desertion, physical ill-treatment or need for protection of a child shall report the information to the director or to any supervisor of the Department of Public Welfare or to a municipal welfare director or to a solicitor acting on behalf of the Department of the Attorney General.

In this province alternatives are provided. Further on, the section states that the above provision applies—

—notwithstanding that the information is confidential or privileged, and no action lies against the informant unless the giving of the information is done maliciously or without reasonable and probable cause.

So, the protection to which I have referred has been provided.

In Ontario, there is a section of the Child Welfare Act which provides that every person having information of the abandonment, desertion, physical ill-treatment and so on of a child shall report it to a children's aid society or to a Crown Attorney. Again, an alternative is provided; it is not mandatory to report to a Crown Attorney or to a law enforcement official. Recognition is given to the special role which the social agencies can play.

In Nova Scotia, the act of 1967 contains a similar provision and requires the report to be made to the Children's Aid Society or to a director of that society. Again, in that province, protection is given to the reporter unless the report is made out of malice or without reasonable or probable cause.

So, I am afraid that while I support the principle behind the hon. member's bill, while I support just about everything he said in his presentation, the measure he recommends does not fit the needs of the situation. As I said, we should work together to exert pressure in the proper places to persuade the provinces to take action, as has been done in the United States. The hon. member told us that all but six of the states had passed legislation giving this protection. My information, it may be later, is that 50 of the states plus the District of Columbia and the United States Virgin Islands have all made provision for this kind of mandatory reporting together with the involvement of the social agencies and the statutory immunity which is required.

Some hon. Members: Hear, hear!

Mr. Gordon Ritchie (Dauphin): I should like to commend this bill to the House. I hope it will be sent to the committee where evidence can be given by interested authorities and brought to bear upon this subject.

In recent years, hospitals, doctors and local authorities have been faced with a situation which appeared to be quite new and unusual. However, this probably has been around since time immemorial but only in recent years has it been catalogued and brought to the attention of society at large. For want of a better phrase it has been called the 'battered baby syndrome'. It is not strictly confined to babies; there are cases involving children up to four and five years of age. With the idea that parental love would take care of children, society has been loth to face up to the possibility that a baby's bruising or fractured bones could have been caused by injury by the parents. This is not an easy fact to accept, especially when one of the parents may well bring in the child for medical aid.

• (5:30 p.m.)

The first clearly identified cases in Great Britain were reported in 1963. The United States have been reporting

them since 1946. For some reason, the firstborn in a family seems to set the pattern, and where the firstborn is battered, subsequent children are prone to be battered. In England, the records of the National Society for the prevention of Cruelty to Children indicated there was a 13 to 1 chance that a subsequent child would be injured by the parents. They also reported that parents in the age group of 20 to 30 appeared to have long-standing emotional problems. Many of the fathers had criminal records and were unemployed at the time of the incident. Perhaps unusual is the fact that the families are usually small. To some extent, the violence of the assaults and the infancy of the victims set these cases apart from the older children, although the boundaries cannot be clearly defined. Medical authorities are becoming more on the look-out for these children because, unfortunately, the case of the child who is battered once may well turn up again. The same report gives examples of physicians and hospitals failing to spot the cause of injury and unsatisfactory after-care arrangements being made by many hospitals despite the evidence of reported, unexplained injuries.

The problem of what to do when a physician finds himself in charge of a battered baby is not easy. First, it is difficult to know whether the bruise is the result of a battering or a fall and injury that overtakes small children from time to time. But it is generally considered that doctors have a duty to perform as citizens as well as being medical advisers. In England it is generally considered better to contact the children's department of the local authorities rather than the police.

An analysis of this problem would indicate that it is deep-seated and psychological. Whether or not society may best control this abuse of children through the Criminal Code is debatable. It would seem to be an area where the law, psychology, sociology and medical disciplines are involved. I would like to see this bill sent to committee for further study, and I think action could well be taken in respect of the final suggestion in the bill.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the matter referred to in this bill, the battered child syndrome, is one of the most widespread social and medical problems in our society, as has been pointed out by my colleague the hon. member for Sault Ste. Marie (Mr. Murphy). Whenever we read stories of child abuse we are deeply touched and often prompted to anger and action.

In recent years there have been several recorded cases of extreme cruelty directed at children by their parents. We often find it difficult to understand how an adult can harm a small child. The hon. member for Sault Ste. Marie rightly pointed out that this is often due to parental inadequacy, emotional disturbance and mental illness. The important matter for us as legislators is the determination of what is the best way of dealing with the problem. The present bill is an attempt to do this. While I support some provisions of the bill, I have serious reservations about others. I have been greatly assisted on this subject by one of my constituents, Mrs. M. A. Smith

who is a social worker at the Montreal Children's Hospital. She has provided me with some worth-while information and comments on this whole problem.

My first reservation in respect of the bill is the obligation to report a case of child abuse under the criminal law. I realize that this bill is merely a method by which the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) can put forward his concern regarding the subject matter and the need for legislation. I submit, however, that what is required is comprehensive law, whether it be national or a series of provincial laws, which will accomplish two things: first, protection of children against abuse and, second, rehabilitation of a family, either the mother or the father or both, responsible for child abuse.

Such law should contain a compulsory reporting procedure. The reporting procedure should go further than that suggested in this bill. The reporting procedure should include nurses, social workers and teachers, in addition to doctors. I understand that some 50 states of the United States have such a reporting law and require nurses, teachers and social workers to report cases of child abuse or battered children, as well as doctors. This is necessary because if you merely require doctors to do the reporting, some parents will not bring their children to doctors. Other people may come to know about the problem, such as the teacher in school, nursery school, kindergarten, social worker or nurse in a clinic. It is necessary that these other categories of persons be obliged to report cases of battered children as well as doctors.

Secondly, such a law must protect a person who in good faith reports the case of a battered child, that is, protection against liability if the facts reported are found to be wrong. As you can well understand, if a nurse, teacher or social worker did not have this protection they might be very hesitant to report the case of a battered child. Thirdly, law on this subject should set out the agency to which the person must report and it must be someone other than the Attorney General. It might be that the Attorney General would delegate an authority. As has been pointed out by the hon. member for Sault Ste. Marie, this could be the Children's Aid Society or, in the province of Quebec, the social welfare court or another group which deals with family problems.

The reason for this is twofold. First of all, the Attorney General is more concerned with punitive procedures than rehabilitation. What we need in a law like this is a method of treating the parents. If the parents are merely convicted or fined, the child may be returned to them and harmed again, or other children may be harmed. If this happens, we have not solved the problem. That is why I do not believe the criminal law is the right vehicle to deal with the problem of battered children.

Reporting of these cases should be to an agency which is able to carry out rehabilitative procedures in respect of the parents. One reason for reporting to other than the Attorney General is that most provincial Attorneys General are too far from localities in which cases of battered children occur. Another doubt I have about the reporting procedure as set out in the bill put forward by the hon. member is the requirement to report within seven days. I am not a doctor and I do not know whether a doctor, a teacher or anybody else who might be required to report can carry out a proper investigation within seven days of his knowledge of the injury. Seven days may be sufficient, but that is a question on which I should like more expertise.

• (5:40 p.m.)

In addition to the compulsory reporting procedure, a system of rehabilitation for the family should be set out in law. This is essential. As I said before, the best way to proceed is not through the use of the traditional criminal law. In the last few years such a rehabilitation program has been set up at the Montreal Children's Hospital. Its purpose is to deal with the parents so that the child eventually may be safely returned to the home. The program at the Montreal Children's Hospital is based on a similar program in the United States, at the Colorado medical centre, where much research has been done on this subject and where treatment is provided based on the medical, social, psychological and legal aspects of the problem.

Finally, I believe there is need for a great deal more research, information and statistics in this area. Last year very few cases of this nature were reported in Montreal. I have here the exact number of cases, and it is rather surprising. At the Montreal Children's Hospital only two cases of child abuse were reported each month, but the authorities know this is only the tip of the iceberg. In 1967, there were 6,000 reported cases of child abuse in the United States, and the potential was even higher. In the state of Wisconsin, with the implementation of compulsory reporting, it was found there was a 30 per cent increase in the number of identified cases in one year. Canada is very short of statistical information and research in respect of the battered child problem.

In conclusion, Mr. Speaker, I urge the minister and his parliamentary secretary, who is here today, to take note of this bill and the arguments put forward in the debate and to implement a comprehensive law to deal with the problem. If it can be done at the national level, I urge that a government bill be introduced in this House. If not, I urge the Minister of Justice (Mr. Turner) and the Minister of National Health and Welfare (Mr. Munro) to give leadership to the provinces so that law of this type may be introduced in the whole of Canada.

[*Translation*]

Mr. Ovide Laflamme (Montmorency): Mr. Speaker, I have listened with great interest to hon. members' comments on Bill C-28, and particularly in regard to the social unrest which may develop when we have to deal with parents who do not shy away from physical or mental cruelty towards their own children.

Although I fully agree with these ideas and compassionate feelings with regard to these social ills, I wonder if this matter is being dealt with by the competent

authorities and if moreover this bill really seeks to solve the problem.

The bill provides that a doctor must report within seven days on any physical harm inflicted upon a child.

First of all, I would like to point out to my hon. friends who have supported this bill that it is all very good to express compassionate feelings but still one must seek whatever is practical, and feasible.

If we make it an obligation for the doctor to report any physical harm inflicted upon children who have been brought to him for treatment, then we must advise as to whom his report is to be made. And once this report is filed, what will happen next?

It is a well-known fact that according to the Canada Evidence Act, in criminal cases, the doctor or any other person may not bear witness to acts of which they have no knowledge. What else but a mere diagnosis can a doctor report? This, unquestionably, under the Criminal Code does not constitute satisfactory evidence liable to bring about conviction of a person we would like to see charged with a criminal offence.

If we make it compulsory for a doctor in such sympathetic circumstances to report to the Provincial Attorney General a case that comes to his attention in his medical practice, why not put under a similar obligation any person who is aware or has been made aware of any criminal act? Why impose such an obligation on this group in particular? For instance, would a physician be more competent to give evidence about something he has not witnessed than nurses in a hospital, neighbours or other children or other persons who might have been aware of the fact that some parents were inflicting bodily harm upon their children?

Even if the bill were adopted, even if we gave this responsibility to the physician, the problem would not be solved, because the physician, under the Evidence Act, would find it hard in his deposition to incriminate the person who could eventually be charged. The physician will report the case, but, as our laws require that a charge be laid, one must ask who would lay this charge? It would surely not be the physician, because it would be hard for him to make a deposition. He would only give a diagnosis which would in no way be related to the criminal offense. Furthermore, he may make a mistake.

I have read somewhere that, if a physician takes it upon himself to report to a public institution, either the police or the welfare courts, as are to be found in the United States and in Quebec, his responsibility is at an end because he has, in good faith, and in the practice of his profession reported some actions that he suspects were carried out maliciously.

• (5:50 p.m.)

But if he is required by law to report what he believes to be a criminal offence, I think we are going too far and into a field where we shall find no solution.

I would rather believe that it is within the purview of a provincial law—the law on the medical profession since we are concerned with doctors—that perhaps we could legislate so as to make clearer still the lack of responsibility of a doctor reporting any action which would have come to his knowledge in the discharge of his profession.

Under the Canada Evidence Act, I repeat that it is impossible for a doctor or for any individual unaware of a fact to be a suitable witness. Therefore, if we were to add a section to the Criminal Code, this would obviously be meant to impose punishment on those likely to be found guilty, and this involves court action.

Conviction entails proof of offence. Now, a physician is not likely to give evidence leading to conviction. Here, his position is not made any better than that of any other citizen, not even that of the ambulance driver called upon to carry a child that was battered by his father or mother or, still, his older brother.

I do not believe that this bill, although introduced open-mindedly and designed to redress the occasional deplorable situation in our society, has its proper place in the Criminal Code, any more at least than other indictable offences under the Criminal Code.

If the Criminal Code called upon any individual to report to police the presumably indictable offences of which he was aware, why should we make a special distinction in this case?

Besides, the medical practitioner, as other members of the learned professions, discharges serious responsibilities towards the individual and, according to our law, his profession also enjoys privileges, including secrecy. The matter is extremely important.

Of course, a member of the medical profession, under the law, must, in certain instances, report the treatment he gave a patient. Now, as this privilege derives from civil rather than criminal law, a legislation in that respect under our constitution should logically be enacted by the provincial government concerned.

The doctor must be free from professional secrecy at all costs. A doctor may report certain things and I sincerely believe that in some cases, one would not take offence at seeing a doctor reveal external facts he is aware of, without being considered for all that as an investigator. If he has enough sense of ethics to do so or to ask investigators to enquire, what evidence can he give?

And even if the doctor were required to report directly to the police facts he could be aware of in the course of his practice, he still has the right under provincial legislation to appear before the court if summoned to do so, but to refuse to give evidence, alleging as reason medical ethics that bind him according to the very nature of his duties.

Unless he is really free from professional secrecy and summoned, under the law, not only to appear but also to give evidence on the treatment he would have given to such or such person in such circumstances, here again, and I repeat, it is by means of provincial legislation and not by an amendment to our Criminal Code that we shall be able to really put more teeth in the law, and call the

attention of the people on such unfortunate cases that may happen whenever one has to report the battering of children in certain families, battering that may sometimes require emergency care.

While I must commend the sponsor of the bill for his good intentions, I have doubts about the practicality of such a measure. Indeed, if it were accepted and included in the Criminal Code it would be an exceptional provision by indicating that this is a crime completely apart from others and I submit that some provinces, as has been indicated, have proceeded in such cases under provincial legislation. However, such provincial legislation does not stress particularly the role of the doctor. It simply states that any person having information of the abandonment, desertion or physical ill-treatment of a child must report this fact. Then, if there is such an obligation for "any person" in any province, why should we place it chiefly upon the doctor in the Criminal Code?

And if in the past it has not been deemed necessary for individuals to report the commission of criminal offences by their neighbours or relatives, why should we use this principle in this case, namely in the case of doctors which come under provincial legislation and whose medical acts often have considerable legal consequences in civil law, and which can give rise to liability suits. Suppose that a doctor should report something which, in his mind, falls under the provision of this bill. If someone is indicted and later acquitted, this will inevitably give rise to a damage suit against the doctor who made the report. The doctor can only make such a report if the provincial laws concerning the practice of medicine cover such cases.

[*English*]

Mr. Speaker: Order. The hour appointed for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs, and the amendment thereto of Mr. Saltsman (p. 3648).

Mr. Paproski: Mr. Speaker, before we rose for the dinner hour I said that the concept of the CDC is sound provided it does not compete with the people of Canada,

and it must not be used as a dumping ground for government failures. I also said that the many rules and requirements regarding full disclosure by other corporations must apply in their entirety to the CDC.

I realize that the idea of assessing in advance what a plan will cost is brand new to the government. The normal procedure seems to be for it to barrel ahead with some half thought-out scheme, ignoring the cost completely, secure in the knowledge that Mr. Taxpayer is always sitting there waiting to contribute his hard-earned dollars at the drop of a hat. I imagine that one or two people have begun to wonder when they will have to stop paying more and more all the time, but probably most people would prefer to swallow the Minister of Finance's bitter pills rather than the substance which the Prime Minister (Mr. Trudeau) advised the truck drivers to eat.

There was a beautiful instance of the attitude of the government toward costs not long ago at a meeting of the Standing Committee on Finance, Trade and Economic Affairs. The committee was discussing Bill S-2, respecting Statistics Canada. This was at least the second day of discussion and the plan was being examined in great detail. The hon. member for Ontario (Mr. Cafik) asked:

> Has anyone any estimates on how much that kind of input work will cost? It seems to me to be pretty costly for the large number of taxpayers in Canada ... Have you any estimates of cost there?

The reply from the Dominion Statistician, Mr. W. E. Duffett, was:

> We have no estimates, but one would have to work the thing out in very considerable detail in order to determine what the cost would be.

Just look, Mr. Speaker, at what this sort of thing means. On the one side you have the Minister of Consumer and Corporate Affairs (Mr. Basford) doing a fine job of protecting the consumers' interests right down to quality, content, advertising and price fixing, and on the other side you have departments selling so-called services to the public but they will not even tell the public what the price is. This is my concern about the CDC. Aside from all the ballyhoo about shareholders' subscriptions, what will it cost the public of Canada now and later? If the government does not know how much is required and where it intends getting the money, this is gross incompetence and the government should get out of the CDC before it is even started.

If the government does know its cash requirements and proposed sources, and will not release this information, it is guilty of saying to the Canadian taxpayer, "What we do with your money is none of your business, and we'll make you pay anyway." I think that if we can get the CDC to disclose its plans to the Canadian taxpayer so that he can assess whether he wants to be saddled with it in the future, we will have made a great breakthrough so far as the government's attitude to the electorate is concerned.

I suppose it would be too much to hope that the Prime Minister would apply some of the maxims of the Minister

of Consumer Affairs regarding disclosure to shareholders and to the public, and start reporting to his shareholders, the people of Canada. The Prime Minister has made no promises to the Canadian voters, but this does not give him a mandate to do everything and anything. The Canadian people did not give him permission to introduce a tinge of socialism into this country under the guise of a just society. In the unlikely event that the Canadian people ever grant this permission, they will still be entitled to ask what it will cost them so they may judge whether they want it and whether they can afford it.

If the Prime Minister's plans are produced piecemeal and on the spur of the moment, each of these plans must have its price tag so that people may decide if they want to buy it. It is hard to believe that a government would operate on the basis of hand-to-mouth planning, but the sloppiness in some government ventures so far seems to indicate that it does. If the wondrous plans which the government continually slaps on the counter for forced consumption by the public are in fact part of an over-all, long-range scheme, the Prime Minister must right now give an honest estimate of the expected cost to the taxpayer over the whole period covered by the scheme, so that the people in their wisdom may evaluate the costs and the benefits and, if they so decide, stop the expenditures before they are committed to expensive schemes which are not desired by the majority of Canadians.

In other words, the Prime Minister must take the trouble to find out what Canadians want and how much they are prepared to pay. But I suggest that this government does not concern itself with the taxpayer and its attitude is: What's another billion?

• (8:10 p.m.)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, it is a great honour for me to participate in the debate on the bill presently before us and which aims at establishing the Canada Development Corporation.

I should like to emphasize the importance of this corporation in Canada and bring out the economic situation of our country, in the light of this gigantic development program proposed by the hon. Minister of Finance (Mr. Benson).

I do not feel that the time has come to create such a development corporation in Canada, because many areas of industry do not operate efficiently. Some industries are only producing at half capacity because they cannot find buyers for their products. I do not think that the establishment of a large corporation, at the expense of other related industries, will settle the problem. I am sure that if we establish large Canadian industrial centres, we will close less important ones and see a great number of industries stop their production or merely go under because the leading industries and finance will drive them to bankruptcy.

We have in the province of Quebec the striking example of the General Investment Corporation. The Quebec government has made available to the province a broad manufacturing, industrial and financing organization.

At present, Quebec's General Investment Corporation has taken over several large industries and has modernized them by using all available techniques. This form of industrial financing did not increase greatly the number of jobs but it did cause the disappearance of several other industries that provided jobs. Those industries are now faced with overproduction which they cannot sell.

In many sectors, the General Investment Corporation has tremendous surpluses; warehouses are full to capacity. Some industries and some industrial complexes have to be closed because the overproduction cannot be disposed of.

I do not believe we will solve the problem by creating the gigantic financing company which the Minister of Finance wants to set up.

What amazes me the most with the establishment of this super industrial corporation, is the tendency of this government to try everything possible when it comes to financing overproduction while they turn down all the measures aimed at promoting consumption among the people whose purchasing power cannot buy the current production.

Current financing policies, as well as governmental assistance to economic expansion in designated areas, represent attempts at financing the overproduction of industries which cannot find a market for their products because people lack purchasing power.

When you finance new furniture factories in some areas, you only bring about the closing of other plants in neighbouring areas and shift the place of production. When you train new employees, you drive older, skilled and experienced workers into unemployment. The government is closing its eyes not to see that the trouble in our economy is not the lack of production, but the lack of purchasing power for the people to buy this production. The production stays on shelves, in stores, whereas the people who need it but lack money cannot buy it. The government is closing its eyes not to see that production is already sufficient, although 10 per cent of the population is unemployed, and although 60 per cent of the production is designed to meet the requirements of the consumers, who have no purchasing power to buy more goods and services.

• (8:20 p.m.)

Some refuse to see that in 1970, in spite of a production of $84 billion, the people consumed, exported and sold—by every means—only $50 billion, and that only $34 billion were left for future needs and the development of the country.

And above all else, there is this wish to set up a super governmental corporation of two billion dollars to increase national production when it already exceeds the purchasing power of Canadians.

Any production coming from this new Crown corporation will only serve to close down the small and average

companies which do not have the advantage of self-financing, like the large concerns listed on the stock exchange, which benefit from the support of public capital never repayable and never subject to fixed interest rates, which are more and more exempt from federal taxes, with inconspicuous or secret reserves, exaggerated depreciations, disguised by all kinds of accounting devices, with the right to create new capital, under the more or less declared or stolen authorization of our government.

By means of granting similar privileges to private companies, the government itself has finally yielded to the temptation of establishing its own big Crown corporation under the sonorous title of the Canada Development Corporation, the CDC, listed on the stock exchange, with shares at fixed rates for the people and at accruing rates for its preferred shareholders, members of the family compact, of the establishment, untouchable and always respected at first, in the whole national economy.

There now, Mr. Speaker, we have our great government-controlled corporation, set on the same footing as the public exchanges in private enterprise, showing off for our benefit this mixture of unhealthy rivalry between the people's interests, those of private enterprise, competing against sovereign authority, drooping to its own level of economic activity, in order to enjoy the exclusive privileges granted private enterprise, but denied the people, the human being, the family and even the entire nation itself.

Prompted by the example of the larger companies that keep increasing their capitalizations from their yearly income, the government has decided to build up its own reserve of ever-lasting capital by means of taxation on pension funds, to create in the stock exchange its own means of action, in order to enjoy still at the people's expense the exclusive privileges granted to the larger companies in the private sector, at the million or billion dollar levels to be in a better position to compete with the small and the medium bracket enterprises, with the individual and family undertakings which are not burdened with administration costs nor with high salaries to be paid to university graduates.

What a queer parallel. Often did the government blame the larger companies for making extremely large profits, for building up excessively large reserves, for claiming exceedingly high depreciation rates, to disguise their way of creating capital on their published balance sheets.

The government has even been asking the banks lately to abandon one of their six practices, that is the concealment of their hidden reserves, while leaving the five other privileges untouched. They even have the right to create more credit since the new 1967 Bank Act was passed. But the same government is now playing the game of private companies. Instead of calling their privileges into question, of denouncing them and of suppressing them as it had started to do, in the light of the representations of people who have had enough of seeing the profits of big companies accumulate from year to year, while they are deprived of their right to live and are unable to use the production they made for themselves first, and not only for these companies or government instruments, the government does not react at all.

The Minister of Finance should backtrack before it is too late. A bill is only a bill. It may be studied, introduced, discussed, and even rejected without humiliation, but after it is passed thanks to a majority government, in spite of a disconcerting opposition and any previous policy, this majority government may very well dig up itself the grave in which the Canadian people will bury it in the next election.

Let us recall Mr. C. D. Howe's famous pipeline. The very strong government of the right hon. Louis Saint-Laurent was its victim. The opposition was against the government's stand in this matter. The majority government did not take that into account, but the people gave its merciless verdict. The Saint-Laurent government was defeated. The hon. C. D. Howe disappeared, and the government subsequently withdrew the $80 million it had invested in a private enterprise.

Today, through Bill C-219 to establish the Canada Development Corporation, in spite of its sonorous title, it is not $80 million that the government wants to invest in private enterprise, but $2 billion to start with.

It is laying it on. This will be the greatest amount of capital ever granted to a Canadian company at its creation.

It would be advisable for the Minister of Finance to think it over some more. His daring is exciting but is it measured and justified? How calculated is the risk he is taking? If the government tampers with the exclusive privileges granted companies with floating capital listed on the Stock Exchange, is it in playing that game that it will protect the interests of the people who are asking for a better distribution of the goods they produce through large companies?

In reading reports every year the Canadian people see that the gap widens constantly between the poor who become poorer and the companies which become increasingly richer, leaving a great proportion of the population destitute with no hope of improving its lot.

Hon. Minister of Finance, I am addressing you—he is not here but I am addressing him just the same—and the others will understand—

Mr. Speaker: Order. The hon. member should perhaps address the Chair rather than the Minister of Finance.

Mr. Latulippe: Mr. Speaker, I will continue my remarks, but I have said nearly all I had to say about the Minister of Finance.

We are facing an alternative which, from somersault to somersault, may lead to even greater unrest than what we are experiencing today.

• (8:30 p.m.)

It remains to be hoped that the army of the bold and the courageous will meet the challenges and commit itself to build a prosperous Canada.

In Quebec, together with fortunate Canadians, the canvas of the future that we will be able to describe shall have to be lived by all Canadians, be they federalists, nationalists or others. It must be hoped that they are all willing to work for the prosperity of Canadians, throughout the country.

I think that in future, education will not be used merely to prepare youth for the labour market. Education, I suggest, aims at giving our young people the required tools for thinking so as to allow them to understand the very complex world in which we live.

This is one of the objectives that the government should consider, instead of creating useless corporations such as the one it wants to establish now, because it is not a problem of production that we are bumping against, but indeed a problem of economic balance. Production must equal consumption. The more we shall build and go towards production, the more we shall aggravate the present large unbalance. As a matter of fact, we experience this unbalance in our economic system and we have figures to prove it. I gave some earlier. The surplus of production will reach 34 billion this year and if we do everything to produce more who will buy the products? Where will we be able to sell them and what kind of stability will we assure the Canadian people?

The government must deal with all kinds of problems. It is fine to say: We shall produce and then export. But we must import as much as we export so there will be no change because that is not where the problem lies. If we could produce to help logically the needy countries and if we could secure the required markets before launching those vast organizations or investing this tremendous capital by taking it away from some to give it to a state corporation, if it was possible to export without importing, it would perhaps be a solution.

We have no agreement enabling us to export without importing. Finally, we must balance our trade. When our trade balance with other countries is unfavourable, we know how the serious the consequences can be. If we had merely exported our surpluses in exchange for goods which are not manufactured in the country and which are required by Canadians, we would then be logical. However, it is illogical and hardly imaginable to have more exports than imports.

Therefore we must prepare young people for the world of tomorrow through education. It is necessary that everyone gets his part to play in society so that this society will guarantee everyone the right to live in a logical way, to have his share of the immense progress which science and technology have made possible. That is where the government has to intervene. We must work, we must have recourse to experts in order to find a way to balance our economy which is not balanced at present.

While we may be enjoying life at present we must prepare the future; we must invent it and work it out. When Canadians will know collectively what they want, they work to bring about what they will have planned.

[Mr. Latulippe.]

Right now, we know neither what we want nor where we are going by creating such organizations from which we will surely not get the services we expect of them.

We are now witnessing the phenomenon whereby one industry is born causing the disappearance of ten similar industries in the vicinity. Is there really any advantage in encouraging such a situation? The only result is the unemployment of hundreds of trained employees. We must avoid such upsets, while seeking ways to promote production and scientific progress in the field of finance, and this to the advantage of present citizens as well as future generations.

The government sticks its nose where it has no business. But it fails to intervene where it would be necessary, namely in financial institutions, for instance by financing existing industries. The government should rather build highways so as to allow industries to move their products.

I live in an area crossed by an express with six toll stations, while those who travel between Montreal and Ottawa do not have to pay tolls when using expressways. As for ourselves, because we are living far from large centres, we are compelled to pay toll charges on expressways.

We have no highway going to New Brunswick while the government could build one and thus promote contacts with the Atlantic provinces. Instead of this, we will set up giant industries and cram the warehouses with products. Then there will be no outlet and we will have to lay off personnel and ask the government to finance the deficit of these corporations.

For instance, the C.N.R. and a number of other crown corporations are not self-financing and they are always asking for subsidies to balance their budget.

Since private industry is able to balance its budget, it should be allowed to sell its production and make a small and reasonable profit. It works. The government has no reason to poke its nose into its business.

The future of the community should not be conditioned by present difficulties or failures. We must conceive tomorrow's society on the basis of the actual and concrete possibilities of a nation full of talents, resources and of needs to be satisfied. The government should endeavour to meet the wishes of our people who want to live and know their business.

I ask the government to keep on acting as it did until now. I want it to go a little further and to concern itself more with politics but with nonpartisan politics. Once we have reached this objective we shall have done something for this country. We shall recognize the importance of each individual instead of recognizing the giant organizations which have no heart or soul and whose managers are not responsible.

• (8:40 p.m.)

The responsible ones are the human beings who have the right to live. Should an economic policy be suitable for great corporations, it could apply to every individual,

to every family. It is the three-meals-per-day-formula, the expense-income, income-expense and profit formula. If a family has no income, it cannot have any expenses or profits. The government is forced to ear-mark 25 per cent of the budget for welfare. And the provinces do the same.

Such a decline cannot be entertained. Welfare benefits are not sufficient to get people out of poverty. They will not enable us to turn out men, to make a strong country, to make of Canadians happy people, people who want to live and have a right to live. We turn out people who are discouraged, rebellious. Such is the way the system operates now. There are causes to such unrest. As long as we do not try to find them, we will witness dreadful catastrophes. There have been some already. It will be worse than in the past if we do not adress ourselves to those causes.

The essential duty of a government consists in looking after the citizens, enabling them to live decently and not merely establishing institutions to compete with them and exploit them, by obliging them to depend on welfare benefits for their living. That is not the way for us to solve the problem.

On this matter, I would still have many things to say. I have here an article which was published in *La Presse*, on Saturday, January 23, 1971 and which reads as follows:

> At the economic level, the true power of a nation is not reflected by its potential production but by its consumption capacity: under such a criterion, the United States would include ten billion Chinese, for the gross national product, despite its name, amounts to the consumption expenses of the nation.
>
> Canada showed the truth of this assumption in 1970: anti-inflationary measures introduced by Ottawa led to a reduction of domestic consumption, without altering the production potential. The country grew poorer and unemployment followed.
>
> A reduction of the money supply, as decided by Ottawa, was an all-embracing measure that struck at the consumption centres: Montreal is the country's metropolis.
>
> With a higher population enjoying a higher per capita buying power than Quebec, Ontario recorded in 1970, contrarily to what might be expected, a higher percentage of unemployment increase than our own province: between November 1969 and November 1970 the number of unemployed increased from 143,000 to 168,000 in Quebec and from 82,000 to 126,000 in Ontario.
>
> Unemployment in Canada has its own particular features and factors which combined together in 1970 led to an inacceptable degree of severity.

The New Democratic Party has introduced an amendment to the effect that the government does not go far enough in its action and that it should become the sole owner of this industry. I find it difficult to support this amendment but we shall not support Bill C-219 either for we believe that the time has not come yet to set up such a corporation at the expense of the Canadian economy.

[*English*]

Mr. Steven Otto (York East): Mr. Speaker, I have read a great many prospectuses—prospectuses dealing with substantial companies, with companies just in the process of being formed and with companies selling gold bricks and moose pasture. Among them were some fantastic presentations. But having read the speech of the Minister of Finance (Mr. Benson) in introducing this bill for second reading, I must compliment him upon one of the finest presentations I have yet come across, a presentation which even the most experienced and sophisticated con artist could hardly have dreamed up.

I am not saying for a moment that it is in any way untrue; but it reads so beautifully, "—backed by substantial sources of Canadian capital and managed by skilled, experienced entrepreneurs, to help make possible fuller Canadian participation in the growth and development of Canada." If I were a buyer of shares I would rush out quickly to the nearest stock exchange to invest in this new corporation. But, Mr. Speaker, there is a long way to go between a speech and a successful performance.

I shall relate an incident in connection with the Canada Development Corporation which might exemplify what I am talking about. Some time in 1964, when the idea of such a corporation was being touted and considered in this House, I, being a fussy and particular young man decided I would make a search in the corporations branch here in Ottawa. Lo and behold, I found a company had been incorporated in 1962 under the name "Canadian Development Corporation". It was a public company, privately owned, and it had not begun any work. I did not want to buy any shares myself, but some of my friends were negotiating for the purchase of shares in the Canadian Development Corporation. Had they been less scrupulous than they are, they might have been in the market today selling shares in the Canadian Development Corporation just as this bill is going through the House. However, being good Canadians they agreed to my suggestion that should turn the company over to the hon. gentleman who was then Minister of National Revenue. He was surprised to learn of the existence of such a company. Fortunately, he was able to ensure that the owners gave up control of the company, and thus there is no longer the possibility of some sort of gain.

I have read carefully the speech which the minister made yesterday, and I have listened to debates on this subject for about six years. It seems to me that although the purposes are very fine, this enterprise will not necessarily be successful. If it is to be successful, a great deal of thought will be necessary and particular attention must be given to the quality of the administration. The bill itself appears to be a good one; it covers about every point. The potential is great. However, we should review the purposes as defined by the minister—to help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector of the economy. Why should it be necessary to develop and maintain Canadian control?

I want to make a few observations on this point for the sake of hon. members opposite who are so infatuated with the idea of Canadian control. The basis of free enterprise is making a profit. From 20 years of experience I can say that a company exists primarily to make a

profit. Control goes to the one most able to control, and it does not really matter who controls the corporation. There has been very popular talk lately about nationalistic control. The fact is that the control is not very important, although it has a bearing on our history. Control should go to the able. This emphasis on Canadian control has been overdone. It is important that our young people have an avenue through which they can express their abilities. It is important that companies exist in Canada so that young executives can obtain training. This is important, because the executive category cannot be trained at universities; they have to be trained almost by apprenticeship.

• (8:50 p.m.)

It is natural that if a foreign company has control it will send its own people to oversee the management of the company. To that extent it is important that we maintain a measure of control or impose guidelines laid down for Canadian companies. This emphasis on control does not bear up under careful scrutiny. What is really needed is policy, and I can see how a Canada Development Corporation can indirectly influence that policy.

Let me refer to an incident where Canadian control might have some bearing. For many years United States companies have acquired vast holdings in the mineral industry in New Brunswick. These involve good deposits with good potential. The same companies also own and operate mines elsewhere in the world. Naturally, they will not close up those mines in order to open up new developments, even though they may be more efficient. This will not be done until the capital investment in other areas is depreciated. For that reason it is advisable to have a policy in Canada under which resources are exploited in accordance with national policy. You do not have to restrict control.

A policy could be set up for the exploitation of minerals, and every other conceivable product, without necessarily adopting the idea of Canadian control—because this does not mean anything. Canadian control means nothing. What we are talking about is control by people with the know-how to make a profit. The object of a corporation is to make a profit. We should examine rather sceptically this constant repetition of "Canadian control". I know it is politically astute to do this now because the public is aware that something is wrong with our economy and the finger is being pointed at control as though that were the issue—but it is not. The real issue involves management and policy as defined in the second part of the purpose of the corporation. The minister has said that the purpose is to give Canadians greater opportunity to invest and participate in the economic development of Canada.

The presumption is that such opportunity does not exist. This is nonsense. Every year Canadians invest approximately $800 million in U.S. corporations. They have the same opportunity to invest in Canadian corporations. Why do they not make this choice? There is a reason: they can get much better protection and value for their longer term investment in the United States than they can in Canada.

[Mr. Otto.]

Before we move in a hodgepodge manner toward acceptance of the Canada Development Corporation, thinking it will be the panacea for all things, we must examine three structures. One of the reasons that Canadians prefer to invest in the United States rather than in Canada is our horrible tax structure. I use the word "horrible" quite advisedly. The tax structure in Canada does not protect the investor or even give him a fair shake. What we really have here is a group of people who con the Canadian into investing in corporations. Immediately they do so, they are at their own peril. We do not have the protection that is available in the United States.

The only purpose of our stock exchanges and the regulations under which they operate is to entice Canadians to invest money. Once they invest, there is no control and no one knows in what they are investing. The prospectus of a Canadian corporation very often reads like a fairy tale; there is no real examination of intercorporate transfers of shares or the speculation that takes place. In the mining business, for instance, about 11 cents of every dollar is invested in the mine and about 89 disappear in promotion and the games which stock promoters play. According to the manner in which we normally function, once a good enterprise becomes public—at some expense—there is no longer the need to produce; everybody gets on the wagon in order to make a buck. The speculators and the promotional experts share. Every time we have a good company and it goes public, people forget there is a purpose for the company and the shares fluctuate back and forth with no protection for the public.

Compare this with the United States system. Under the United States Federal Commission there is a procedure through which shares can be put out as public issue at a cost very, very much lower than in Canada. There are laws there which give the shareholders protective rights. They can question management and even the salaries of management. It is no wonder that United States corporations have shown a tendency to grow in strength over a long period of time. This does not happen in Canada. We do not have laws to protect our shareholders. Our laws are very simple—the majority of shareholders are protected, and the minority is not. There is no corporate law in Canada that protects the minority shareholder.

An hon. Member: Join the NDP.

Mr. Otto: That is a minority I would not like to join. It is a sort of perpetual minority which I do not think—

An hon. Member: It couldn't get worse.

Mr. Otto: I agree; it couldn't get worse. It is no wonder that Canadians invest in United States corporations. Before the minister goes all-out in putting this measure into force, he should look carefully at the stock jungle we have in Canada. It is no surprise that the sharpies in the business are not worried about this bill. They envisage the lamb and the beaver coming for shearing and they are sharpening their shears. They have had 50 years' experience in this business. With all respect to the minis-

ter, his officials and the people who will be appointed to this corporation, let me warn them that they may be at their mercy.

I am inclined to agree with the Minister of Consumer and Corporate Affairs (Mr. Basford) who has already stated that one of the essential things in our corporate and security exchange structure is a complete reformation. If this structure is reformed, there is reason and purpose for the Canada Development Corporation and I hope it will succeed. Again, I think we must reassess our presumption that the reason Canadians have not invested in shares in Canada is because they do not have savings. This is untrue: Canadians are among the highest purchasers of life insurance in the world.

An hon. Member: And the life insurance companies buy the shares.

• (9:00 p.m.)

Mr. Otto: It may be that the life insurance companies buy the shares, but Canadians themselves buy life insurance. If they buy shares at all, they buy penny stocks which they can sell a few days later for a profit. They are advised to buy a couple of shares of salami, and they do so in the hope that they can sell them tomorrow at a profit.

Mr. Bell: Is salami going up?

Mr. Otto: In 1955, when Ford of Canada was owned mostly by Canadians, Ford of Canada had a great advantage. Ford International was owned by Ford of Canada, and Henry Ford made sure that Ford in the United States could not own any part of its shares—so Canadians had it made. The shares were selling for perhaps $50 each. In 1956 the Americans made an offer to all Canadian shareholders on the basis of $75 a share when Ford of Canada was making money and Ford in the United States was losing money. Everybody in Canada sold out and made $25 a share profit. But those shares could not be bought today for love nor money.

Investment does not come from savings; it comes from dividends. It is the money you make as a dividend that you re-invest; it is not the money you have carefully saved. The United States accumulation of capital originated with whaling ships, oil, the slave trade and the spice trade—that was the beginning. Everytime a person receives a dividend cheque he uses that cheque to buy further shares—but it is not his savings. This is really the issue. If we want Canadians to invest in Canadian corporations we must remove from their minds the apprehension they have—which is warranted—that they will be taken.

The role of the CDC is to guarantee to a Canadian investor that if he invests $1,000 in certain approved shares, the CDC will insure those shares so that he will not lose money on them. This is done every day in the commercial world, but only in respect of large sums. When the investor sees the stamp of the government of Canada he will buy shares and will eventually get into the habit of buying shares. This is a role for the CDC.

Mr. Speaker, I promised I would not be too long. I believe I have made my point. This is a good bill, but it all depends on how it is administered and who administers it. I believe that if it is properly administered, and if the minister takes into consideration the climate in which he will be dealing and the atmosphere in which he must deal, it could be successful. But if the minister thinks the climate now is ripe, and if he thinks he can be safe with the stock exchanges and the markets as they are today, I am afraid he and all of us will be very disappointed.

Mr. Bell: Mr. Speaker, in view of the winter storm there is some thought, at least on this side of the House, that we call it ten o'clock and adjourn an hour early. This would have the advantage of getting us ready for the prayer breakfast tomorrow. Also, some of us may get home early and find that our wives have not completely shovelled out our driveways. At least it would be a gesture to our staff, who so far as I know are the only public servants in Ottawa who have not had the day off.

Mr. Knowles (Winnipeg North Centre): There seems to be general approval of this proposition, and we join in that approval.

Mr. Francis: I presume this would also include the "late show", so that we would adjourn at this point.

Some hon. Members: Agreed.

Mr. Deputy Speaker: I take it there is general agreement that this House adjourn until tomorrow at 2 p.m.

Some hon. Members: Agreed.

At 9 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Wednesday, February 24, 1971

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

POST OFFICE

TABLING OF GOVERNMENT OFFER IN DECEMBER 1970, TO FORMER EMPLOYEES OF G. LAPALME INCORPORATED

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, in accordance with a request made by the hon. member for Edmonton Centre (Mr. Paproski), I wish to table, in French and in English, the complete text of the offer made by the government last December to the former employees of G. Lapalme Inc.

* * *

[*English*]

GRAIN

TABLING OF REPORT ON INTERNATIONAL WHEAT CONFERENCE

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table copies in both official languages of a report on the outcome of the international wheat conference.

[*Later:*]

Mr. Korchinski: Mr. Speaker, I rise on a question of privilege. Today the Minister of Manpower and Immigration, who speaks in this House for the Wheat Board, tabled a statement on events that have transpired, or a statement of policy, and did the same thing on Monday last. It has customarily been the practice in the House when such statements are short that ministers of the Crown deliver them orally, thus providing an opportunity for one spokesman for each of the opposition parties to comment on the particular proposals.

I do not know whether this new practice is going to be followed by the rest of the cabinet ministers, but I want to emphasize that, although the rules provide for the tabling of such statements, common usage has been that this is done only in the case of lengthy documents that cannot be incorporated in *Hansard*.

On both Monday and today the statements were short, and the minister's action did not provide an opportunity for other hon. members to comment. Furthermore, on Monday last following the question period the minister raced for the television cameras to set out one side of the particular question involved.

Some hon. Members: Oh, oh!

Mr. Korchinski: It is not always the case that objections are taken to such statements by members of the opposition. In fact, the statement tabled on Monday was one that would have elicited some support. I have just now been handed the statement that the minister tabled today. I have not had an opportunity to study it. I would think that out of common courtesy members of the cabinet in future should have the decency to present statements in the normal fashion.

* * *

LABOUR CONDITIONS

LAY-OFFS BY MASSEY-FERGUSON AND CHEMCELL LIMITED —REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. In light of the announcement within recent days by Massey-Ferguson of projected closedowns of production facilities in Canada with a lay-off of 2,700 workers, and yesterday by Chemcell Limited of the closedown and sale of chemical production facilities in Cornwall, Ontario, and Two Hills, Alberta, and the shutdown of such facilities in Edmonton with a lay-off of 350 highly skilled workers, I move the following motion, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That there be referred for examination and report to this House by the Committee on Finance, Trade and Economic Affairs the question of the impact on Canadian industry and the level of employment therein of:

1. The continued unpegged state of the Canadian dollar;

2. The acceleration of the negotiated Kennedy Round tariff adjustments as a tool to fight inflation;

3. The restrictions on economic activity in Canada resulting from action taken under the monetary and fiscal policy adopted by the government to counter the wave of inflation that has bedevilled the Canadian economy in recent years;

4. The uncertainty in industry caused by the original proposals contained in the white paper on taxation.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Edmonton West. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Possible Takeover of Home Oil Company

Some hon. Members: No.

Mr. Speaker: There is not unanimity. Therefore the motion proposed by the hon. member cannot be put.

* * *

THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Max Saltsman (Waterloo): Mr. Speaker, I rise to ask leave of the House under Standing Order 43 to refer the question of the proposed sale of Cygnus Corporation Limited and Home Oil Company Limited to Ashland Oil Company to the Standing Committee on Finance, Trade and Economic Affairs.

The purpose of the referral is to examine the circumstances surrounding the financial relationship between Mr. Robert A. Brown, Junior, the Bank of Nova Scotia and the Canadian Imperial Bank of Commerce, with regard to both the interests of the shareholders of Cygnus Corporation Limited and Home Oil Company Limited, to ensure that Home Oil remains under Canadian ownership and control. Therefore I move, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis):

That the proposed sale of Cygnus Corporation Limited and Home Oil Company Limited to Ashland Oil Company be referred to the Standing Committee on Finance, Trade and Economic Affairs for consideration and report.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Waterloo. This motion requires the unanimous consent of the House. The Chair will inquire whether there is unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimity the motion cannot be put.

* * *

HEALTH

TABLING OF REPORT OF COMMITTEE ON DENTAL AUXILIARIES

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, it was obvious from the statements of hon. gentlemen opposite the other day that they thought that I was going to table a document relating to the ad hoc committee on dental auxiliaries. I had sent the House Leaders copies of the report prior to my statement. I should like to table the document now. I wish to table the report of the ad hoc committee on dental auxiliaries in both official languages. This is the report to which I referred on Monday last.

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Question answered orally are indicated by asterisk.)

PUBLIC WORKS—HEATING SYSTEM IMPROVEMENTS IN POST OFFICES

Question No. 411—**Mr. Godin:**

1. Since January 1969, has the government called for tenders for heating system improvement and air conditioning installation contracts in Canadian post offices and, if so, in each province, how many post offices benefitted from these programs and what was the cost?

2. Are similar improvements projected for 1971 and, if so, how many?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Yes. The number of post offices that benefited from such installations since January 1969 and the costs in each province are as follows:

Province	Number of Post Offices	Cost
Newfoundland	Nil	$ —
Nova Scotia	12	29,729
Prince Edward Island	Nil	—
New Brunswick	2	3,500
Quebec	131	2,584,239
Ontario	58	397,962
Manitoba	9	20,265
Saskatchewan	2	600,333
Alberta	4	6,243
British Columbia	1	2,800
Yukon Territory	Nil	—
Northwest Territories	Nil	—

2. Yes, 216.

[*English*]

AIRPORT AND FACILITY STATISTICS

Question No. 579—**Mr. Nielsen:**

1. What is the percentage increase from 1965 to 1968 of the number of (a) aircraft registered in Canada (b) hours being flown by aircraft in Canada (c) passengers being carried (d) landings and take-offs utilizing DOT controlled airports in Canada (e) IFR flights being conducted in Canada (f) pilots in Canada?

2. What is the percentage increase from 1965 to 1968 of the amount spent by the government for improvements on (a) airports (b) navigational aids and facilities at DOT controlled airports?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The percentage increase from 1965

to 1968 is: (a) +32.23%; (b) +19.05%; (c) Canadian airlines only +40.15%; Canadian and Foreign Airlines +49.98%; (d) +50.59%; (e) +62.57%; (f) +46.08%.

2. The percentage increase from 1965 to 1968 is (a) +34.9%; (b) The following represents the actual capital expenditures on radio aids and associated facilities throughout the fiscal years 1962-63 to 1968-69: 1962-63, $8,168,774; 1963-64, $8,621,000; 1964-65, $14,913,512; 1965-66, $14,980,732; 1966-67, $12,548,282; 1967-68, $12,600,000; 1968-69, $15,512,000. While there was an over-all increase from 1965 to 1968, there was no percentage increase.

*VANCOUVER INTERNATIONAL AIRPORT—RESUMPTION OF TRAINING FLIGHTS

Question No. 667—**Mr. Goode:**

Has CPAir resumed Sunday training flights at Vancouver International Airport and, if so, is this in contravention of Department of Transport regulations?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, CPAir conducts training flights on a continuous basis any day of the week between the hours of 07:00 and 22:00 subject to their training program requirements. They are now conducting an accelerated training program which should continue to April 1971.

The training flights are not in contravention of the Department of Transport regulations.

[*English*]

POLLUTION—ACTION TAKEN BY STATE OF OHIO AGAINST DOW CHEMICALS OF CANADA

Question No. 690—**Mr. Caouette:**

1. Have the Minister of Justice or the Secretary of State for External Affairs received representations concerning the legal action taken in the Supreme Court of the United States by the State of Ohio against Dow Chemicals of Canada which is being accused of polluting Lake Erie?

2. Is it known whether the Joint International Water Board is aware of this situation and, if so, what was its reaction?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Justice and by the Department of External Affairs as follows: 1. The Department of Justice has been consulted by the Department of External Affairs regarding the action taken in the Supreme Court of the United States by the State of Ohio against Dow Chemicals of Canada, but the Minister of Justice has not received outside representations regarding this action. On December 9, 1970 the Department of External Affairs received a formal inquiry from Mr. V. K. McEwan, Legal Counsel for Dow Chemical of Canada Limited, in the lawsuit before the United States Supreme Court, seeking information regarding what position and steps, if any, the Canadian Government proposed to take in this matter. On

December 21, Mr. McEwan was advised by letter that the Government of Canada considers the lawsuit instigated by the State of Ohio to be a United States domestic matter. There is, therefore, no basis on which the Government of Canada can or should intervene in any way, be it by representations before the United States Supreme Court or by representations to the Government of the United States. The Government of Canada is, however, very concerned about pollution of the Great Lakes generally, and is working closely with the Government of the United States and the Government of Ontario towards finding solutions to these problems. The Federal Government remains interested in the developments in this case in the context of the general pollution problem and is following them closely.

2. The International Joint Commission is aware of the court case, but since this matter is before the Court it has expressed no restriction in relation to this lawsuit.

SKAGIT VALLEY

Question No. 695—**Mrs. MacInnis:** Supplementary answer

How many letters, telegrams, briefs, representations or other communications have been received concerning the Skagit Valley in the period from June 30 to December 31, 1970?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed as follows: Department of Energy, Mines and Resources, 3,786; Department of External Affairs, 36; Department of Fisheries and Forestry, 357.

AUDITING OF PUBLIC AGENCIES

Question No. 733—**Mr. Fortin:**

1. During the past five years, what was the annual cost of auditing the following public agencies (a) CNR and Air Canada (b) Bank of Canada (c) Industrial Development Bank (d) CMHC (e) Canadian Wheat Board?

2. Are there any plans to appoint the Auditor General as co-auditor for these agencies and, if not, for what reason?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Transport, the Department of Finance, the Central Mortgage and Housing Corporation, the Canadian Wheat Board and the Treasury Board as follows: 1. (a) Pursuant to Order in Council P.C. 1967-563 the firm of Touche, Ross, Bailey and Smart, appointed independent auditors by Section 13 of the CNR Financing and Guarantee Act, 1965-66, was paid $137,500 plus certain disbursements for each of the years 1966 and 1967, apportioned $115,000 CNR and $22,500 Air Canada. Pursuant to Order in Council P.C. 1969-141 the same firm, appointed independent auditors by Section 13 of the CNR F. & G. Act 1967 and Section 15 of the CNR F. & G. Act 1968, was paid $152,000, plus certain disbursements, for each of the years 1968 and 1969, apportioned $125,000 railway and $27,000 airlines. Pursuant to the CNR F. & G.

Act 1969 the firm of Touche, Ross and Co. was appointed independent auditor for the year 1970. The amount to be paid that firm is under discussion.

(b) Bank of Canada

	Fees and Expenses
1966	$ 83,000
1967	$ 83,000
1968	$ 85,000
1969	$104,000
1970	$105,000

(c) Industrial Development Bank

	Fees and Expenses
1966	$18,000
1967	$18,000
1968	$18,000
1969	$20,000
1970	$20,000

(d) The costs of auditing the accounts of CMHC during the past five years are given in the table following:

Payments for the Year	Total
1965	$35,559.74
1966	$47,566.66
1967	$50,819.01
1968	$55,144.95
1969	$62,994.70

(e) For the crop years 1964-65 to 1968-69, inclusive, the annual costs of auditing the accounts of the Canadian Wheat Board were as follows: 1964/65, $47,200; 1965/66, $48,500; 1966/67, $50,000; 1967/68, $50,700; 1968/69, $50,000. The accounts for the 1969/70 crop year have not yet been audited.

2. No. On November 29, 1966, the Minister of Finance wrote a letter to the Chairman of the Public Accounts Committee in which he stated that he had considered, with his colleagues chiefly concerned, the position with respect to those Crown Corporations that are not audited by the Auditor General and had concluded that the decision, taken after careful deliberation of all the factors involved, that these bodies should be audited by public accountants and not by the Auditor General is the correct one and should not be changed. Please refer to Minutes of Proceedings and Evidence of the Public Accounts Committee dated February 2, 1967, page 1397, Appendix 22 (b) for the full text of this letter. As indicated in the Auditor General of Canada Bill introduced and subsequently withdrawn, it was not proposed to alter the current legislative provision for audit of Crown corporations, as found in subsection 2 of section 77 of the Financial Administration Act.

[Mr. Jerome.]

WABUSH AIRPORT

Question No. 746—**Mr. Peddle:**

1. When will the new ILS equipment be installed at Wabush Airport?

2. What are the plans for construction of a new air terminal at Wabush to replace the present facilities?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. It is planned to instal new ILS equipment at Wabush Airport late in the 1971/72 fiscal year, subject to the availability of funds.

2. The Ministry of Transport has no plans for construction of a new air terminal at Wabush Airport.

POST OFFICE CLOSURES

Question No. 839—**Mr. Southam:**

1. (a) What was the total number of post offices and sub-post offices closed in Canada in 1970 (b) by province, what were the numbers closed in each case?

2. What was the total number of postmasters placed among the ranks of the unemployed due to such closings?

Hon. Jean-Pierre Côté (Minister without Portfolio): 1. (a) and (b)

	Revenue Post Offices	Sub Post Offices
British Columbia	42	2
Alberta	70	6
Saskatchewan	155	5
Manitoba	80	10
Ontario	175	23
Quebec	131	26
New Brunswick	110	2
Nova Scotia	149	2
Prince Edward Island	2	1
Newfoundland	126	—
	—	—
Total	1,040	77

2. Statistics or records are not maintained on postmasters that would be unemployed as a result of closing their office.

UNITED STATES DRAFT DODGERS AND DESERTERS

Question No. 845—**Mr. Robinson:**

1. How many American draft dodgers and/or deserters have come to Canada?

2. How many of them have been charged with offences under the Criminal Code and/or other statutes?

3. How many convictions have been lodged?

4. Have any of those convicted been deported or is it the intention of the government to have any of them deported?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Manpower and Immigration and the Department of

Justice as follows: 1. Because an individual's military or draft status has no bearing whatsoever in any matters under the Immigration Act or Regulations information on this subject is neither requested nor recorded in any way during immigration proceedings. Consequently the Department of Manpower and Immigration cannot compile any statistical breakdowns in this respect.

2. and 3. The Department of Justice does not maintain statistics that disclose whether or not a person charged or convicted in Canada is a draft dodger or deserter.

4. See 1.

REPAIRS TO WHARF AT BERTHIER, BELLECHASSE CONSTITUENCY, 1971

Question No. 846—**Mr. Lambert (Bellechasse):**

Did the government have repairs made to the Berthier wharf in the constituency of Bellechasse in 1971 and, if so (a) what was the nature of the work (b) what was the amount involved (c) by whom were the repairs made?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): No repairs have been made to the Berthier wharf to date in 1971.

[*English*]

POST OFFICE—ASSURED MAIL PROMOTION

Question No. 860—**Mr. Howe:**

1. Was an advertising agency given a contract by the Post Office Department for the promotion that introduced the program "Assured Mail"?

2. Were tenders called for this promotion and, if so, what agencies entered this competition and what were the amounts of each tender?

3. What was the total cost of this program?

4. Did weekly newspapers have an opportunity to participate in this campaign and, if not, for what reason?

Hon. Jean-Pierre Côté (Minister without Portfolio): 1. No.

2. No.

3. $43,577.66.

4. No, with the exception of one Toronto Italian weekly. The Assured Mail launch concerned mail originating from Toronto City only.

REPAIRS TO WHARF AT BERTHIER-EN-BAS, 1970

Question No. 898—**Mr. Lambert (Bellechasse):**

How much money was spent during 1970 for repairs to the wharf at Berthier-en-Bas?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): A total of $17,130.80 was spent during 1970 for repairs to the wharf at Berthier-en-Bas.

[*English*]

DEPARTMENT OF JUSTICE—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 915—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Justice is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Hon. John N. Turner (Minister of Justice): The Department of Justice does not have supplementary estimates.

INFORMATION CANADA—EMPLOYMENT OF MR. D. HANSON

Question No. 920—**Mr. Hales:**

1. Has Mr. D. Hanson ever been a special consultant for Information Canada and, if so (a) when was he hired and what were the duties he was to perform (b) if he is no longer employed by Information Canada (i) when did his employment terminate (ii) what were the grounds for termination (iii) was the termination a resignation or dismissal (iv) had Mr. Hanson completed the duties for which he was hired?

2. Has a legal suit been launched against Information Canada by Mr. Hanson and, if so (a) what are the grounds for the suit (b) what damages have been asked?

Hon. Robert Stanbury (Minister without Portfolio): 1. Yes. (a) He was hired on September 17, 1970, to assist in the continued planning and implementation of Information Canada priorities. (b) (i) December 31, 1970; (ii) It was the end of the contract period; (iii) Neither, September 17 to December 31 was the term of the contract; (iv) Mr. Hanson was not hired to complete a specific task but for general staff assistance.

2. Not to the knowledge of Information Canada.

* * *

QUESTION PASSED AS ORDER FOR RETURN

PUBLIC SERVICE EMPLOYMENT ACT—APPOINTMENTS OTHER THAN UNDER SECTIONS 8 AND 9

Question No. 307—**Mr. Forrestall:**

1. In the period July 25, 1969 to September 30, 1970, how many women were appointed to a position or otherwise employed, other than under the provisions of sections 8 and 9 of the *Public Service Employment Act*, by the government under conditions or remuneration equitable to a salary of $10,000 or more per year?

2. What are their names?

3. By whom were they employed and what was the rank of their position?

4. How many men were appointed or otherwise employed under the same period of time?

Return tabled.

Mr. Coates: Mr. Speaker, I do not like to have to rise every second week regarding starred question No. 12. There is not much sense in my repeating again what I have said previously about this question. But I must say that if questions placed on the order paper are not going to be answered, the procedure will become nothing more than a farce. As I pointed out previously, this question was on the order paper in the previous session and was placed on the order paper again early in the present session. If questions are not to be answered we, in effect, will be deprived of information that we and the taxpayers of the nation have a right to receive. I do not know what more to say except to bring to the attention of the House once again the fact that this question has not yet been answered, notwithstanding the many statements by the parliamentary secretary.

Mr. Jerome: Mr. Speaker, I assure the hon. member that I will look at this question particularly and communicate with him personally on the subject.

Mr. Dinsdale: Mr. Speaker, I wonder if the parliamentary secretary would also look at starred question No. 730 which has been standing on the order paper for over a month.

Mr. Jerome: Mr. Speaker, I will do so.

Mr. Orlikow: Mr. Speaker, I rise again to ask when I can expect an answer to question No. 79 which was also on the order paper in the previous session and has been outstanding for about a year. I wish to tell the parliamentary secretary that if I cannot get an answer considerable time will be taken up with the estimates on the appropriate occasion.

Mr. Jerome: Mr. Speaker, I have received one report on the progress of the answer to the hon. member's question. I am not able to report on it today, but I have a report on my desk on the progress of that answer. We hope to be able to reply soon.

Mr. McCutcheon: Mr. Speaker, I cannot begin to approach the record of the hon. member for Winnipeg North, but I have had a question on the order paper since November 12. It is simple and straightforward. I hope that the parliamentary secretary will try to expedite the answer.

Mr. Marshall: Mr. Speaker, since complaints are being made, may I say that question No. 540 has been on the order paper for over a year. It was also on the order paper in the previous session, and it would be nice to obtain an answer.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notices of Motions Nos. 181, 185 and 186 are acceptable to the government.

CBC PROGRAM "WHITE PAPER"

Motion No. 181—**Mr. Diefenbaker:**

That an Order of the House do issue for a copy of the complete and unexpurgated program which was broadcast by the Canadian Broadcasting Corporation on January 7, 1971, entitled "White Paper".

Motion agreed to.

COPY OF INSTRUCTIONS GIVEN TO ADVISORY COMMITTEE ESTABLISHED WITH RESPECT TO OPERATION LIFT

Motion No. 185—**Mr. Burton:**

That an Order of the House do issue for a copy of all instructions and terms of reference given to or developed by the Advisory Committee established with respect to the Operation Lift program in 1970.

[Mr. Coates.]

Motion agreed to.

AGREEMENT RELATING TO ESTABLISHMENT OF INDIAN-METIS TRAINING CENTRE, CUTBANK, SASKATCHEWAN

Motion No. 186—**Mr. Burton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of an agreement between the Government of Canada and the Government of Saskatchewan for the establishment and operation of an Indian-Metis training centre at Cutbank, Saskatchewan.

Motion agreed to.

Mr. Jerome: Mr. Speaker, Notices of Motions Nos. 145 and 184 are acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House to adopt the said motions?

Some hon. Members: Agreed.

STUDIES REGARDING CONSTRUCTION OF FEDERAL BUILDING IN VICTORIAVILLE

Motion No. 145—**Mr. Fortin:**

That an Order of the House do issue for a copy of all correspondence, telegrams between or studies by the Department of Public Works, the Post Office Department, the Municipal Council of Victoriaville, the Chamber of Commerce of Victoriaville, or any citizen of the constituency of Lotbinière regarding the construction of a federal building in Victoriaville, the acquisition of land for same and the expropriation for the period January 1, 1955 to October 30, 1970.

Motion agreed to.

EFFECTS OF BENNETT DAM ON ECOLOGY OF PEACE-ATHABASCA DELTA AND SLAVE RIVER

Motion No. 184—**Mr. Baldwin:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the letter sent to the Province of Alberta inviting that Province to participate in a task force to investigate the effect of the Bennett Dam in British Columbia on the ecology of the Peace-Athabasca delta and Slave River systems.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call Notices of Motions Nos. 84, 90, 91, 170, 173, 177, 178 and 191.

CONSULTANT REPORT RELATING TO WATER RESOURCES AND WATER POLLUTION

Motion No. 84—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Gaston G. Chamaillard, undertaken for the Department of Energy, Mines and Resources, regarding a Canada-

wide survey of public information, educational activities relating to water resources and water pollution, as mentioned in answer to Question Number 1,323 of the past Session.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Department of Energy, Mines and Resources advises that this report was prepared for internal working purposes. It contains information obtained on a confidential basis and must, therefore, be treated as privileged. In the circumstances, I respectfully ask the hon. member to withdraw his motion.

Mr. Skoberg: Mr. Speaker, any information dealing with water resources should be public and should be made available to the House.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

CONSULTANT REPORT REGARDING QUANTITATIVE ASSESSMENT OF POLICY AND PLANNING BRANCH

Motion No. 90—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Operation Research Industries Limited undertaken for the Department of Energy, Mines and Resources regarding a quantitative assessment of the Policy and Planning Branch as mentioned in answer to Question Number 2,452 of the past Session.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Department of Energy, Mines and Resources advises that the report is an internal working document which was prepared to assist unit management in determining what organizational changes might be required to increase efficiency of operations and its release is not considered to be in the public interest. Under these circumstances, it is requested that the hon. member withdraw his motion.

Mr. Skoberg: I call for the question, Mr. Speaker.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

CONSULTANT REPORT REGARDING REVIEW OF WATER SURVEY OF CANADA DIVISION

Motion No. 91—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by James F. MacLaren Limited undertaken for the Department of Energy, Mines and Resources regarding a review of the Water Survey of Canada Division as mentioned in answer to Question Number 2,452 of the past Session.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Department of Energy, Mines and Resources advises that this study, which was not completed beyond the preliminary stage, was prepared for internal working purposes only and its release is not considered in the public interest. I would therefore ask the hon. member to withdraw his motion.

Mr. Skoberg: I agree, Mr. Speaker.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

CORRESPONDENCE CONCERNING PROPOSED SALE OF LAND AT REGINA AIRPORT

Motion No. 170—**Mr. Burton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence and other documents concerning the proposed sale of land owned by the City of Regina at the Regina Airport to the Department of Transport.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The minister met with members of the Regina City Council on February 13, 1971, and discussions continue. It is not considered in the best public interest, or in the interest of the Ministry of Transport, to release documents or correspondence concerning the negotiations for the purchase of the lands in question. In view of this, the hon. member may be willing to withdraw his motion.

Mr. Burton: Mr. Speaker, there have been many questions in the House on this matter, some of which have been answered by the minister. There have also been many press reports. I see no reason why this information cannot be supplied and I call for the question.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: Does the House wish the Chair to put the question?

Some hon. Members: Question.

Some hon. Members: Transfer for debate.

Mr. Speaker: I hear vague noises suggesting that perhaps there is a request that the motion should be transferred for debate. I suggest that if this is the request of the government, it should be made clear to the Chair. I do not think the Chair should be expected to act on vague suggestions.

Mr. Gray: Mr. Speaker, to expedite matters I make such a request.

Mr. Speaker: I do not want to be difficult, but I suggest that if members of the government wish a motion transferred for debate this should be clearly stated. With the noise it is sometimes very difficult for the Chair to find out what is suggested either by the opposition or the government in relation to such motions. Transferred for debate.

Motions for Papers

CORRESPONDENCE RELATING TO CONSOLIDATION OF RESERVATION OFFICES OF AIR CANADA

Motion No. 173—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all papers including the Feasibility Study commissioned by Air Canada in respect to the consolidation of reservation offices of Air Canada in Canada, including estimates as to the savings to be made by the Company, the reduction in staff complement, etc.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the information in question relates directly to the internal operation of the company and is thus considered privileged. In these circumstances the hon. member may be willing to withdraw his motion.

Mr. Orlikow: In my opinion the information relates much more directly to the service the customers get and to what happens to the employees. I therefore think we ought to have this information. I should like the question to be put.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Lambert (Edmonton West): I rise on a point of order, Mr. Speaker. It arises out of the observation Your Honour made a few moments ago that a representative of the ministry should stand up and ask that a motion be transferred for debate or that it be disposed of in some other way as permitted by the rules. I would suggest that the same rule should apply in the case of Standing Order 43 and that whoever opposes a motion made under that Standing Order should stand up and so indicate.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member will recognize that my suggestion was not that a member of the government should rise. I just wanted to make sure that I would hear the request of the government. This is the only requirement I am suggesting under the terms of this Standing Order.

CORRESPONDENCE BETWEEN PRESIDENT OF CNR AND MINISTER OF TRANSPORT CONCERNING CNR PENSION PLAN

Motion No. 177—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the correspondence, dated September 17, 1970, between the President of the CNR and the Minister of Transport outlining the company's position on the recommendation of the Standing Committee on Transport and Communications concerning the CNR Pension Plan.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The policy concerning communications relating to the internal affairs of Canadian National Railways, as upheld by Parliament, is that such material is confidential. In these circumstances the hon. member may be willing to withdraw his motion.

Mr. Skoberg: I believe the Canadian National pension fund should not be that confidential and that the correspondence should be made available. I call for the question.

[Mr. Speaker.]

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

CORRESPONDENCE BETWEEN MINISTER OF TRANSPORT AND CNR CONCERNING CNR PENSION PLAN

Motion No. 178—**Mr. Skoberg:**

That an Order of the House do issue for a copy of all correspondence between the Minister of Transport and the CNR pertaining to recommendations of the Standing Committee on Transport and Communications concerning the CNR Pension Plan.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The policy concerning communications relating to the internal affairs of Canadian National Railways, as upheld by Parliament, is that such material is confidential. In these circumstances the hon. member may be willing to withdraw his motion.

Mr. Skoberg: The same comment applies.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF TREASURY BOARD MINUTE NO. 697478

Motion No. 191—**Mr. Burton:**

That an Order of the House do issue for a copy of Treasury Board Minute No. 697478 dated May 28, 1970.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): As the Treasury Board is a committee of the Queen's Privy Council for Canada, it is not the practice to make public the minutes of the meetings of the board, and in these circumstances I would ask the hon. member to withdraw his motion.

Mr. Burton: Since there are other references to this Treasury Board minute in public documents I would ask that this motion be put.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Jerome: I ask that the remaining notices of motion be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Burton: With respect to Notices of Motions for the Production of Papers, could the parliamentary secretary look into motion No. 168 which has been on the order paper in my name since December 14? Would he ensure that this motion is brought forward soon, especially since the estimates will be coming before committees shortly?

Mr. Jerome: I will look into it, Mr. Speaker.

ORAL QUESTION PERIOD

FINANCE

REDUCTION IN BANK OF CANADA INTEREST RATE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance with regard to the announcement that the bank rate has been reduced from five and three-quarters per cent to five and one-quarter per cent following a reduction of one-quarter of one per cent ten days ago, I believe. Can the hon. gentleman tell us the reason this further reduction in the bank rate was considered to be appropriate today rather than ten days ago? What has happened to bring this further reduction about?

Hon. E. J. Benson (Minister of Finance): Of course, this is the result of a decision by the governor of the Bank of Canada. But it is an indication by the governor of the bank and by the government that they think that short-term interest rates should be lower.

Mr. Stanfield: Again I point out that this further reduction comes only ten days after the previous reduction. Does this indicate a growing concern on the part of the Bank of Canada with regard to the rate of growth of the economy, or does it mean that the Bank of Canada has concluded that short-term interest rates in Canada have been inappropriately high and have been causing upward pressure on the Canadian dollar?

Mr. Benson: I think it is a clear indication that the Bank of Canada believes that short-term interest rates are too high at the present time.

Mr. Stanfield: In view of the difficulties the floating dollar has been causing, as a result of which an increasing number of plants are closing down, does the minister propose to take any additional measures at least to slow down the rate at which plants are going out of business, which seems to be accelerating?

Mr. Benson: We have moved very rapidly in the past year in reducing the bank rate and short-term interest rates in Canada. What is indicated by the Bank of Canada by this further reduction is that short-term rates have not moved in the near past as fast as the bank thought they should move.

Hon. George Hees (Prince Edward-Hastings): In the answer he gave a few moments ago the Minister of Finance said clearly, "we have reduced the interest rate". He has studiously stated on other occasions that there is no connection between the decisions of the bank and the government. Which is it? Does the bank take orders from the government or not?

Mr. Benson: Mr. Speaker, unlike the days when the previous government was in power and they had almost to force the governor of the Bank of Canada to leave the bank, which caused a great scandal in Canada—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Benson: —the government—

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

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

Mr. Speaker: Order. The hon. member for Prince Edward-Hastings has a supplementary question.

Mr. Hees: The Minister of Finance did not, of course, answer my question in any way. I now ask him, does the Bank of Canada—

Mr. Speaker: Order, please.

Mr. Hees: —take its orders from this government?

Mr. Benson: I suggest to my hon. friend that he read the Bank of Canada Act which gives the ultimate responsibility to the Minister of Finance. We accept our responsibilities, unlike the previous government.

Some hon. Members: Hear, hear!

Mr. Hees: Then why do you always claim there is no connection with the Bank of Canada? Be honest.

Mr. Speaker: Order, please. I think the minister and the hon. member have fought to a draw.

Mr. Benson: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. Is the minister rising on a point of order?

Mr. Benson: Yes, Mr. Speaker. The hon. member opposite has accused me of uttering an untruth. I do not think this is permitted in the House. If my hon. friend would look at the Bank of Canada Act, he would find that the ultimate responsibility resides with the Minister of Finance, and I have never said anything else. Unlike the situation under the previous government, I talk to the governor of the bank and—

Mr. Speaker: Order, please. In fairness to other hon. members I think I should point out to the minister and the hon. member that they have taken quite a bit of time. We have only 40 minutes and I think this debate might be continued at some other time.

REDUCTION IN BANK OF CANADA INTEREST RATE—ACTION TO REDUCE LEVEL OF SECONDARY RESERVES REQUIRED OF BANKS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the statement by the governor of the Bank of Canada that the objective of this interest reduction is economic stimulation, will the minister tell us whether he will now take action, along with the Governor, to reduce the rate of secondary reserves imposed on the banks as an anti-inflationary measure during the past several months?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this was not imposed as an anti-inflationary measure; it was imposed at a time when there was great pressure on the Canadian dollar. As with all other questions raised by the hon. member I shall take up the matter with the governor of the bank.

REDUCTION IN BANK OF CANADA INTEREST RATE

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question. As a result of the confusion I did not quite understand the minister's original answer. Did he state that the decision to reduce the bank rate was that of the governor of the bank?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, it was the decision of the governor of the bank. If the government disagrees with it, the ultimate responsibility under the Bank of Canada Act, which I am sure my hon. friend has read, lies with the Minister of Finance.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question. Has the Minister of Finance any explanation to offer the House as to why the additional reduction of one-half of one per cent was made within ten days of the previous reduction?

Mr. Benson: We react to situations as they occur, Mr. Speaker.

Mr. Baldwin: Then why don't you do something about unemployment?

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

Mr. MacInnis: A point of order, Mr. Speaker.

Mr. Speaker: Order. I will recognize the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Lotbinière in a moment, but I believe the hon. member for Cape Breton-East Richmond has a point of order.

Mr. MacInnis: Yes, Mr. Speaker. My point of order arises from the statement made by the Minister of Finance. He originally said, and confirmed it in answering a supplementary, that the decision to reduce the bank rate was that of the governor of the bank. Then the minister went on to say, in the course of his interjections and others, that the government had taken these actions during the last year. So he has definitely confused the issue and misled the House in respect of—

Mr. Speaker: Order, please.

Mr. Benson: A question of privilege, Mr. Speaker.

Mr. Speaker: Order. I will recognize the minister on a question of privilege, but obviously we are not making very constructive progress. I would suggest to the minister and to the hon. member who has raised the point of order that this is strictly a matter of debate between the minister, the hon. member and others. I would think we would be well advised to attempt to clarify a second problem, and I will give the hon. member for Nanaimo-Cowichan-The Islands the opportunity to take the floor.

Mr. Benson: Mr. Speaker, I rise on a question of privilege. The hon. member stated that I misled the House, which is just not the case.

Mr. MacInnis: That is not so. I never used that phrase at all.

Some hon. Members: Yes, you did.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. MacInnis: A point of order, Mr. Speaker.

Mr. Speaker: Order. Again I apologize to the hon. member for Nanaimo-Cowichan-The Islands; I understand the hon. member wishes to raise a further point of order.

Mr. MacInnis: Mr. Speaker, it is more a point of personal privilege. The minister said that I made a certain statement which I did not make. Now he is misleading the House.

Mr. Hees: Apologize.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

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THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—ACTION TO MAINTAIN CANADIAN CONTROL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, who I might point out has been absent two days in a row when he was supposed to be on the roster, may I ask the Prime Minister whether he can give the House any information as to what success the government has had in ensuring that effective control of the Home Oil Company of Calgary will be retained in Canadian hands? Has the government anything to report on the negotiations, and can the Prime Minister give the House any assurance that they have succeeded in doing what the minister said, namely, keeping this company within effective Canadian control and ownership.

Right Hon. P. E. Trudeau (Prime Minister): Thus far, Mr. Speaker, our success has been complete. I cannot speak for the future, of course, not being able to read into the future.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Prime Minister whether any Canadian companies have indicated their willingness to acquire the Home Oil Company of Calgary rather than having it go to the Ashland Oil Company of Kentucky, and has the government indicated its willingness to help

them acquire the necessary financial resources to do so, either through the Industrial Development Bank or by some other appropriate measure?

Mr. Trudeau: Mr. Speaker, the most that I could appropriately say at this time is that there has been an indication of interest by Canadian companies along those lines.

FOREIGN OWNERSHIP OF CANADIAN COMPANIES—INQUIRY AS TO REPORT AND LEGISLATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the increasing number of takeovers and the fact that returns filed under the Corporations and Labour Unions Returns Act indicate there is an acceleration in takeovers with the result that, according to the last report, over $50 billion of assets in this country are now owned by foreign corporations, is the Prime Minister doing anything to speed up the report on foreign ownership which the Minister of National Revenue is preparing for the government and does the government anticipate introducing legislation to deal with this matter at the present session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think I can be encouraging to the leader of the New Democratic Party. I think the period in which they have been divided against the government's policy will soon be replaced by a period in which they will be united against government policy.

ACQUISITION OF BANFF OIL BY AQUITAINE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Prime Minister whether the government intends to take any action to prevent Banff Oil Limited being taken over by Aquitaine Oil, a wholly owned French company, as of tomorrow?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of that transaction, Mr. Speaker.

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—ROLE OF BANKS—REQUEST FOR REFERENCE TO COMMITTEE

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the disturbing financing surrounding the proposed sale of Home Oil Company, would he ask the House to refer the circumstances surrounding this sale to the Standing Committee on Finance, Trade and Economic Affairs?

Hon. E. J. Benson (Minister of Finance): I do not think I would like to refer individual business transactions to any such committee. Business transactions are carried on by businessmen.

Mr. Saltsman: Mr. Speaker, if the Minister of Finance is reluctant to refer this matter to the committee, would he examine the role being played by the chartered banks in this particular deal and in general the role being played by them in the takeovers of Canadian companies?

Inquiries of the Ministry

Mr. Benson: Mr. Speaker, I do not think I should involve myself in looking into transactions between banks and individual business corporations in this country. Otherwise some transaction could be brought up in the House every day and I might be even looking at their loans to the hon. member.

Mr. Speaker: Order. The Chair will recognize the hon. member for Waterloo on a last supplementary and then the hon. member for Témiscamingue.

Mr. Saltsman: Since the government has outlined guidelines of proper behaviour for the banks in terms of ownership and the national interest, would the Prime Minister look into the situation to assure himself that these guidelines are being followed?

Mr. Benson: Mr. Speaker, the guidelines were not indicated by the government but by Parliament through the passage of the Bank Act.

[*Translation*]

UNEMPLOYMENT—PARTICIPATION OF PROVINCIAL GOVERNMENTS IN PREPARATION OF POLICIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Prime Minister concerning solutions to the problem of unemployment.

Does the Canadian government intend to invite provincial governments to participate in the redefining of fiscal, tariff and monetary policies, as was suggested yesterday by the premier of Quebec at the opening of the Quebec National Assembly?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is always considerable consultation with the provinces concerning programs or policies involving them. I do not know whether Premier Bourassa has a specific proposal to submit in the constitutional field, but speaking merely of discussions, I can assure the hon. member that they are frequent.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary. Does the Prime Minister intend to enter into discussions with the province of Quebec regarding the monetary, fiscal and tariff policies of the government of Canada?

Mr. Trudeau: As I just replied to the leader of the Ralliement Créditiste, we do at periodic meetings of the Ministers of Finance, other meetings at the official level and, indeed, even at the Prime Ministerial meetings, discuss our general economic policies with the provinces, but I am not aware that there has been any suggestion that the federal jurisdiction over money and fiscal matters be shared in a constitutional sense with the provinces. I might add that we are and have been in the past two budgets at least trying to have fiscal and monetary policies which have regional application and regional impact.

Inquiries of the Ministry

[*Translation*]

CANADIAN CONSTITUTION

DISCUSSION WITH QUEBEC RESPECTING POLICY ON LANGUAGE RIGHTS OF ENGLISH SPEAKING MINORITY

Hon. Martial Asselin (Charlevoix): Mr. Speaker, would the Prime Minister tell us whether during the past few hours he has been in touch with the premier of Quebec concerning the latter's policy with respect to the language rights of the English-speaking minority in Quebec?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I contacted the premier of Quebec. We discussed several matters but I am afraid we dealt very little with this aspect of the problem. I do not want to say that we did not touch upon this topic but there certainly has not been any lengthy discussion.

Mr. Speaker: Does the hon. member for Charlevoix wish to put a supplementary question?

Mr. Asselin: Yes, Mr. Speaker.

Does the Prime Minister of Canada agree with the Quebec premier concerning the language rights of the English minority in Quebec?

Mr. Trudeau: Mr. Speaker, I remember that we did speak about this matter, a couple of minutes maybe. I cannot answer the hon. member's question, because it is not specific enough. We briefly referred to the discussion held at the federal-provincial conference a few weeks ago. There has been no change to what was agreed on some time ago.

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NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. Roch La Salle (Joliette): May I put a supplementary question, Mr. Speaker?

Referring to a question that I put yesterday to the Prime Minister, as well as to his answer to the effect that he would have to discuss this with the premier of Quebec, and considering the statement that he has just made, namely, that this consultation has taken place concerning many subjects, may I ask him whether there was any talk of who will foot the bill for costs incurred while the armed forces were in Quebec, and whether he agrees with Mr. Bourassa's statement?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we did refer briefly to that subject. I have read Mr. Bourassa's statement, which he made, I think, a day or two ago, and we have agreed, once more, that this matter was not one of urgent priority, that we would leave it on the agenda of a future meeting, that we would try to get into an agreement which would be practical at the administrative level and fair to the province, and, also,—which is important—within the framework of the duties that are ours under the National Defence Act.

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—PARTICIPATION OF PROVINCES IN DETERMINATION OF ECONOMIC POLICIES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the statement by the Premier of Quebec yesterday at the opening of the National Assembly that Ottawa will be much to blame for Quebec's escalating unemployment if the provinces are not permitted to participate in redefining Canada's economic policies, is the government planning to hold a conference in the near future with the provinces to begin redefining this government's economic policies?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we have very frequent meetings with the Ministers of Finance and treasurers of the provinces. As a matter of fact we have agreed to have four meetings a year, unlike the days when my hon. friend was in the government and they never looked at them.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: I have a supplementary, Mr. Speaker, but I will wait until the rabble quiets down.

Some hon. Members: Oh, oh!

Mr. Hees: Are we to take it then that it is the opinion of the government that in making such a serious statement yesterday the Premier of Quebec was in fact just talking through his hat?

Mr. Speaker: Order, please. The hon. member's supplementary is argumentative. I think at this point I should put hon. members on notice that about half the question period has gone by and I am afraid many hon. members will be disappointed if we do not move a little faster.

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HEALTH

IMPLEMENTATION OF NATIONAL DENTAL CARE PROGRAM FOR CHILDREN—TRAINING OF DENTAL AUXILIARIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. It is based on the Dalton Wells report on dental auxiliaries which he tabled today and to which he referred on Monday. Even if the government is not yet prepared to implement a dental care program for the entire population, may I ask if the government will soon implement the recommendation that there be a national dental program for children in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): As I indicated on Monday, we are very much

involved now in discussions with the provinces as to cost-sharing arrangements under both our cost-sharing health programs, medicare and hospitalization, which were discussed at the recent health ministers conference. The over-all objective is to permit us to meet in a financial way the priorities as the provinces see them in the health field and still protect portability and national standards.

Mr. Knowles (Winnipeg North Centre): Can the minister say what attention the government is giving to the recommendation that there be facilities for the training of dental auxiliaries to assist in coping with the problem of providing adequate dental care?

Mr. Munro: Yes, Mr. Speaker. As a matter of policy we are very much in favour of this development which will have a considerable impact in terms of reducing costs. There is considerable sympathy for this type of development within the provinces, and we will be meeting to discuss how best it can be accomplished.

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GRAIN

WHEAT—RECOMMENDATION RESPECTING PLANTING

Mr. Jack Murta (Lisgar): I direct my question to the minister responsible for the Canadian Wheat Board. Since the Soviet Union is emerging as a major exporter of wheat, is the government still advocating the planting of an estimated 20 million acres of wheat in western Canada?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The 20 million acres to which the hon. member refers is presumably the figure in the document which was tabled in the House in late October. It was indicated at that time that, with this quantity of wheat, only a small decrease would likely occur in the inventory of wheat in Canada, that we would really have enough or more than enough, so that fewer acres than that would certainly do no harm and other crops such as barley could be planted. The fact of the Soviet Union being in the wheat business in a big way is really not anything new.

Mr. Murta: With a good portion of the acreage that was planted to wheat going into summerfallow, is there not a concern on the part of the government that with above average yields we might overproduce for our expected markets and end up with another large surplus?

WHEAT—BASIS OF INITIAL PRICE TO FARMERS

Mr. A. P. Gleave (Saskatoon-Biggar): My question is for the minister in charge of the Wheat Board. As the new international wheat agreement to which he referred today in his tabled statement contains no pricing provisions, can he assure the House that the initial price for wheat to the farmer will continue to be based on the levels in the present International Grains Arrangement in the coming crop year?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): Any indication about initial prices will be made shortly. The International Grains Arrangement prices have not been effective matters in relation to pricing for some time. Of course the new agreement does contain provisions both for discussion among the participants in case of fluctuations of price in order to maintain stability and also a kind of watching brief in order to start discussions on price whenever that seems appropriate.

Mr. Gleave: Since the minister has just informed the House that the new agreement provides for examination of the price structure while at the same time no minimum price is set out, can he tell the House whether there is any provision for the enforcement of any kind of price structure under the new agreement? Are there any bench marks in the agreement about which farmers can feel confident?

Mr. Lang: There are no pricing provisions setting down firm prices in the agreement which has been signed. The agreement indicates a procedure for co-operation with regard to pricing, and indicates that the question of when to negotiate more firm price provisions will be kept under observation.

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CITIZENSHIP

INVESTIGATION OF STATEMENTS BY SANDOR EMERICH BANDY, BRANCH EMPLOYEE

Mr. Robert Borrie (Prince George-Peace River): My question is directed to the minister responsible for citizenship. Could the minister advise the House of the results of his inquiry into the actions and some of the statements of Mr. Bandy who is employed by the citizenship branch in Vancouver?

Hon. Robert Stanbury (Minister without Portfolio): Inquiries are being made of the people with whom Mr. Bandy has been working in gathering information on behalf of the Citizenship Branch. There are no results of that inquiry yet which would lead me to suggest that any action is warranted at this time.

Mr. Paul St. Pierre (Coast-Chilcotin): In view of the statement that Mr. Bandy made publicly that if the government had considered the suffering of the unemployed and poor in Quebec in 1969 there would have been no FLQ in 1970, was he authorized as he indicated in the radio broadcast, to speak as a representative of the federal government?

Mr. Stanbury: Of course not.

Mr. Speaker: Order, please.

Inquiries of the Ministry

FINANCE

ACTION TO REDUCE TREASURY BILL RATE

Mr. Gordon Ritchie (Dauphin): I have a question for the Minister of Finance. In view of the fact that the treasury bill rate is 1.2 per cent above the United States rate, what steps does the government plan to take to reduce this spread and thus lessen the upward pressure on the Canadian dollar?

Hon. E. J. Benson (Minister of Finance): As was indicated yesterday, and the opposition seemed to disagree, there was a lowering of the bank rate.

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FISHERIES

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Fisheries and Forestry. Would the minister advise whether he has been made aware of the existence of foreign draggers off southwestern Newfoundland which are destroying fishing gear and, if so, what action is he taking to correct the situation?

Hon. Jack Davis (Minister of Fisheries and Forestry): I am not aware of this. I will look into it immediately.

Mr. Marshall: I would advise the minister that there are some 60 foreign draggers off the coast destroying thousands of dollars worth of fishing gear. Would the minister take the necessary action to implement proper surveillance, as he did last year in western Canada, and could this be done immediately so that we will not have a recurrence of what has happened in the past?

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

COMMONWEALTH COMMISSION ON NAVAL DEFENCE IN INDIAN OCEAN—WITHDRAWAL OF NIGERIA—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): My question is for the Secretary of State for External Affairs. In light of the withdrawal of Nigeria and the likely withdrawal of other Commonwealth countries from the commission set up at Singapore to inquire into naval defence in the Indian Ocean arising out of the sale of helicopters by Britain to South Africa, does the Canadian government also propose to withdraw from the commission?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, the Canadian government does not intend to withdraw from the commission. As I said yesterday, we regret very much the decision of the British government to sell arms to South Africa. We also regret that the Nigerian government and others may consider it necessary to withdraw from this committee. After all, this will be an opportunity to discuss the very situation to which they and we object, and we think there can be a useful role for the committee.

SALE OF HELICOPTERS BY BRITAIN TO SOUTH AFRICA—INQUIRY AS TO CANADIAN PROTEST

Mr. R. Gordon L. Fairweather (Fundy-Royal): Has the minister seen the British High Commissioner in the past couple of days to register a very strong protest on the part of the Canadian government to what might be described as a cynical abuse of the agreement made at Singapore?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am not defending the actions of the British government, because they are not in accordance with our views, but I would remind the hon. member that the British government made it very plain when they agreed to the formation of this committee that they would not necessarily delay any decision by them on the sale of arms to South Africa. As to the specific question asked by the hon. member, may I point out that my statement made in the House of Commons the day before yesterday has been brought to the attention of all members of the Commonwealth.

Mr. Doug Rowland (Selkirk): My supplementary question is addressed to the Secretary of State for External Affairs. Could he tell the House whether he has any firm indication regarding the present intentions of other members of the commission with respect to withdrawal from it?

Mr. Sharp: Not yet, Mr. Speaker, but I will be meeting at five o'clock this afternoon with the Secretary General of the Commonwealth, Mr. Arnold Smith, to discuss the situation. I am sure he is making a canvass of the views of the members of the committee.

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REGIONAL ECONOMIC EXPANSION

INCENTIVE GRANT TO MICRO-MAX PRODUCTS TO ESTABLISH PLANT IN MAGOG, QUEBEC—ASSISTANCE TO CANADIAN DRUG INDUSTRY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. It arises from the recent announcement by the government of an incentive grant of $3.8 million to Micro-Max Products Ltd. of Kalamazoo, Michigan, to assist in establishing a drug plant in Magog, Quebec. Can the minister assure the House that this grant complies with plans announced at the time of the passing of Bill C-102, that is, to strengthen financially the Canadian segment of the pharmaceutical industry?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, all I can say is that the grant was offered in accordance with the act regulations it is my responsibility to administer.

[*English*]

Mr. Dinsdale: Can the minister indicate how this grant of $3.8 million to Micro-Max Products Ltd. of Kalamazoo compares with assistance that has been given to the independent Canadian drug industry?

Mr. Speaker: Order, please. I do not think that question can be asked or answered at this time.

CO-ORDINATION OF ACTIVITIES WITH RESPONSIBILITIES OF OTHER DEPARTMENTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the minister. What steps is he taking to co-ordinate the activities of his department under the Regional Development Incentives Act with the responsibilities of other departments of government?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Unfortunately, Mr. Speaker, and much to my regret, I have no authority over other departments.

[*English*]

Mr. Speaker: The hon. member for Spadina.

Mr. Ryan: I have a question for the Minister of National Health and Welfare.

Mr. McGrath: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member for Spadina who has the floor, but I understand the hon. member for St. John's East has a point of order.

Mr. McGrath: Yes, Mr. Speaker. The minister either did not hear my question or did not understand it. I asked the minister what efforts he was making to co-ordinate the activities of his department, with respect to incentives, with the responsibilities and regulations of other departments under statutes of Parliament?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the only way to effect co-ordination in a government structure such as ours is through the cabinet and its committees, and this is done regularly, and we try to reconcile our policies and to co-ordinate them.

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[*English*]

CANADA ASSISTANCE PLAN

EXTENSION TO COVER PROVINCIAL CORRECTIONAL INSTITUTIONS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In light of the rehabilitation intentions of proposed and present criminal law, is the government considering extending the Canada Assistance Plan to cover

provincial correctional schools as well as welfare institutions and, if so, when will action be taken?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, there is no immediate consideration being given to this matter, but I would remind the hon. member that as a result of the White Paper the Canada Assistance Plan in its entirety is under review with the provinces.

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FAMILY ALLOWANCES

REVISION OF INCOME CUT-OFF LEVEL PROPOSED IN WHITE PAPER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to ask a related question. Since the minister, if I understand correctly, has indicated that the family allowance cut-off at $10,000, being the combined income of husband and wife, creates certain injustices and inequities, has the minister now thrown out that suggestion contained in the White Paper and, if so, has he any other alternatives to offer to the House?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if the hon. member had read the White Paper he would understand that this was a proposal set forth. We acknowledge that there are certain injustices created when you settle on an arbitrary limit of this kind, and we invite proposals on how this situation can be corrected, if indeed it can be corrected. We even invite proposals from the hon. member.

Mr. Alexander: Mr. Speaker, I thank the minister for his comments, but all I was asking was whether the minister is now in a position to say whether he will disregard that particular proposal in the white paper, and has he an alternative at this time?

Mr. Munro: Mr. Speaker, we are considering many alternatives at the moment and we are waiting for more to come from various segments of the community.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. In view of the statement by the minister that he will try to remedy the obvious injustices in his proposal to cut off the family allowance to families with an annual income of $10,000 or more, will he advise the House when we can expect these proposals to be made?

Mr. Munro: Mr. Speaker, as I indicated, there has to be some cut-off figure and some tapering at some level. We are trying to devise various means whereby this can be done and at the same time not create hardships and immediate disparities for people within a very close income range. These proposals are under consideration now. Again we invite proposals from the hon. member and the opposition parties.

Inquiries of the Ministry

ENERGY

STATEMENT BY DEPUTY MINISTER ON FINDING OF OIL OFF EAST COAST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had hoped that the Minister of Energy, Mines and Resources would be in the House today. However, I would like to direct to the acting minister a question relating to the statement of the deputy minister that oil will be found off the east coast within two years. I ask the acting minister whether this means that the Minister of Energy, Mines and Resources has taken charge of the drilling program and is now telling the oil companies where to drill for oil?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should think it might be obvious to the Leader of the Opposition that this was in the nature of speculation.

Mr. Stanfield: Since the Prime Minister has been modest enough to admit this afternoon that he does not have foresight, I ask the acting minister whether this knowledge was revealed to the minister in a dream or whether he is using an ouija board?

Some hon. Members: Oh, oh!

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OIL

REPORTED UNITED STATES OFFER OF CO-OPERATION IN BUILDING PIPELINE ACROSS CANADA FROM ALASKA

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I would like to know from the Secretary of State for External Affairs whether the United States government has made or repeated an offer to co-operate with this country in building a trans-Canada pipeline from Alaska to the southern 48 states, as reported in the lead story, datelined Washington, in Monday's Toronto *Telegram*?

Hon. Mitchell Sharp (Secretary of State for External Affairs): If they have, Mr. Speaker, they have not made the offer to me.

Mr. Anderson: I would like to repeat a question I put to the minister two days ago. Has he received any reply to his letter of a week ago today to the United States Secretary of State offering to co-operate with the United States in a study of tanker route problems on the west coast of North America?

Mr. Sharp: No, Mr. Speaker. When the letter was presented to the U.S. State Department they indicated they would like to talk with our officials about a possible place in which to have such consultations and the form consultation would take, but we have not yet received a formal reply.

[Mr. Munro.]

POLLUTION

PROPOSAL BY HOME TOWN CONSTRUCTION LIMITED FOR EXTINGUISHING OF MINE DUMP FIRE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question was for the Minister of Energy, Mines and Resources but because he is not here I direct it to the acting minister. Has the minister's department received a proposal for extinguishing the mine-dump fire at Springhill, Nova Scotia, from Home Town Construction Ltd. and, if so, what action is being taken by the department to act on this proposal?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I will have to ascertain whether that request has been received and perhaps I can be in touch with the hon. member.

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CANADA PENSION PLAN

PARTICIPATION BY HOUSEWIVES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is it the intention of the government to recognize the great contribution by housewives to the production of goods and services in Canada, as set forth by the National Council of Women, and to afford them equality of status by allowing them to participate in the Canada Pension Plan?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, many of the observations of the royal commission and the representations made the other day by the group to which the hon. member refers are under consideration in the context of proposals we have for improvement of the Canada Pension Plan. They will be considered in that context.

Mrs. MacInnis: In view of the argument made against such participation by the Minister of Finance on the ground that imputed income is too difficult to calculate, would the government consider hiring fresh economists who are up to this task?

AUTHORITY FOR INTEGRATION WITH OTHER PENSION SCHEMES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I wish to ask a supplementary question. A number of questions arise from the question just asked by the hon. member for Vancouver-Kingsway. However, since this matter covers more than one department I put the question to the Prime Minister. If the only authority the government has in respect of Canada Pension Plan funds is to lend money from these funds to the provincial governments, under what authority is the government integrating the Canada Pension Plan with other pension schemes?

Mr. Speaker: Order, please. The hon. member's question invites the Prime Minister, or another minister on

behalf of the government, to express an opinion from a legal standpoint. I would not think that the question in those terms is in order.

Mr. MacInnis: I am very sorry to rise on another supplementary question, Sir. It arises from your decision. I cannot see how the question I have put to the Prime Minister is in any way asking for a legal opinion, if they know what they are doing—

Mr. Speaker: Order. The hon. member for Simcoe North.

Mr. MacInnis: On a point of order—

Mr. Speaker: Order, please. I apologize to the hon. member for Simcoe North. I will recognize him in a moment. I believe the hon. member has a point of order.

Mr. MacInnis: Mr. Speaker, I rise on a point of order. I have been trying to secure from this government for the last three years answers in respect of matters which are firmly laid out in legislation. The government has failed to interpret its legislation in this regard. Answering a question by the hon. member for St. John's East, the Minister of Regional Economic Expansion this afternoon made the statement that he has no authority—he could have used the word "responsibility"—over other departments. My point of order arises from the statement made on Monday by a member of the government who tried to refer a question relating to unemployment insurance to the Minister of Regional Economic Expansion. He claimed that the minister had authority to answer the question. There is, therefore, a contradiction between the answer the minister gave today and the statement made in the House on Monday.

Mr. Speaker: Order, please. There may be contradictions in statements made by ministers, but I suggest to the hon. member that this is not necessarily a matter to be raised by way of a procedural objection.

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NATIONAL REVENUE

IMPOSITION OF FEDERAL SALES TAX ON SUCARYL AND CYCLAMATES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I direct a question to the Minister of National Health and Welfare which deals with sucaryl and cyclamates. I realize that this matter comes under two other departments, the Department of Consumer and Corporate Affairs and the Department of Finance. Nevertheless, cyclamates and sucaryl come under the Food and Drugs Directorate and therefore under the minister. Why has this medication all at once been made subject to federal sales tax, thus increasing the price for many people in chronic ill health, some of whom are having a hard time making ends meet?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, that aspect of the question is not

my responsibility and I refer it to my colleague, the Minister of National Revenue. With respect to cyclamates in general, as the hon. member may be aware I undertook to make a statement on this question and I will do so shortly.

Mr. Rynard: Mr. Speaker, this tax was imposed over a year ago. Have the three ministers concerned done nothing in this area? It has to do with food and drugs.

Mr. Speaker: Order, please.

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POLLUTION

AIR—PROVISION OF CMHC LOANS AND CAPITAL COST ALLOWANCES FOR INSTALLATION OF ANTI-POLLUTION DEVICES

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Finance. Is the government planning to extend the granting of CMHC loans to the installation of anti-pollution devices for emissions into the air?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker—

Mr. Speaker: Order, please. I am not sure whether the question is in order. The minister might reply briefly to the hon. member's question.

Mr. Benson: Mr. Speaker, this is the responsibility of the minister responsible for housing, who is not in the House today. I will bring it to his attention.

Mr. Harding: Mr. Speaker, perhaps I ought to direct my question to the Minister of Fisheries and Forestry. Is the government planning to extend capital cost allowances for the installation of anti-pollution devices for emissions into the air? This is a very important question dealing with pollution.

Mr. Benson: Mr. Speaker, we looked at this matter in the budget of last year.

Mr. Harding: Mr. Speaker, I repeat my question. Is the government planning to extend capital cost allowances for the installation of anti-pollution devices for emissions into the air?

Mr. Benson: Mr. Speaker, we have already done it.

Mr. Speaker: Orders of the day. Is the hon. member rising on a point of order?

Mr. Marshall: Yes, Mr. Speaker.

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FISHERIES

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I hesitate to take up the time of the House,

but I directed an urgent question to the Minister of Fisheries and Forestry and I did not get a reply. In order to emphasize its urgency, I point out that the fishermen in question have threatened to take up arms against foreign draggers because they are destroying their livelihood. I wonder if I could obtain an answer to the question I asked the minister.

Mr. Speaker: No doubt the hon. member realizes that the question period expired more than five minutes ago. The Chair made a desperate effort to allow more hon. members to ask questions by voluntarily extending the question period for a few minutes. The hon. member has raised a very important matter. Perhaps, with unanimous consent, the minister might be allowed to reply.

Some hon. Members: Agreed.

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, this is the first that I have heard of this incident. If it is as serious as the hon. member says, then of course we will act immediately.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CLEAN AIR ACT

MEASURE RELATING TO AMBIENT AIR QUALITY AND CONTROL OF POLLUTION

The House resumed, from Friday, February 19, consideration of the motion of Mr. Davis that Bill C-224, relating to ambient air quality and to the control of air pollution, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Speaker: Order, please. The first order of business this afternoon is the motion for second reading and reference of Bill C-224, an act relating to ambient air quality and to the control of air pollution. If I may remind hon. members of the present state of affairs, the debate has been concluded on this motion but the putting of the question was deferred until a ruling had been made on a point of order raised by the hon. member for St. John's East (Mr. McGrath). The Chair has heard representations from various hon. members and is now in a position to render a decision.

If I may state to the best of my ability the point raised by the hon. member for St. John's East, it is that Bill C-224 should not be proceeded with at this time because a clause in the bill would prejudice an amendment also moved by the hon. member for St. John's East during consideration in committee of the whole of Bill C-207, an act respecting the organization of the government of Canada.

[Mr. Marshall.]

It seems to me that the ancient rule of Parliament is that the House should not be put in a position where contrary decisions are made in respect of two similar bills. It is, of course, a fact that a final decision has yet to be taken on Bill C-207. However, the House has given second reading to Bill C-207 and has referred it to Committee of the Whole. That decision is not in question at this time.

It is clear to me that at the moment no decision has been taken by the House in relation to any particular clause or section of the government organization bill. Similarly, no decision has been taken by the House in relation to any particular clause of Bill C-224. This point was made clear, for the guidance of the Chair and of all hon. members, by the hon. member for Winnipeg North Centre (Mr. Knowles). There is, therefore, in my view nothing procedurally wrong in having before the House at the same time concurrent or related bills which might be in contradiction with one another either because of the terms of the proposed legislation itself or in relation to proposed amendments.

May I again refer to the contribution of the hon. member for Winnipeg North Centre to the procedural argument. The hon. member's contribution is reported at page 3584 of last Friday's *Hansard*. I quote as follows:

—we are not passing this bill at this point.

The hon. member was referring, of course, to the bill now before us, Bill C-224.

We are only debating a motion for second reading and the referral of the bill to committee. If we were at the third reading stage and were passing a bill that had within it a clause which was inconsistent with some other bill that had been passed, their point would be valid and I would be backing it.

Of course, at this point the hon. member for Winnipeg North Centre was referring to the point made by the hon. member for St. John's East and, I believe, the hon. member for South Western Nova (Mr. Comeau). The hon. member for Winnipeg North Centre went on to say:

But that is not the case. We are not passing a bill. We are considering proposed legislation and the likelihood is that there are a number of details in it which members may not like or which they may find offensive. However, for the life of me—

That refers to the hon. member's life and not to mine.

—I cannot see any point of order in respect of the propriety of the bill as a whole, which is what the hon. member for St. John's East has asked Your Honour to find.

The point made by the hon. member for Winnipeg North Centre appears to be well taken. I must conclude that the question on the motion for second reading and referral to the standing committee can now be put to the House. Is it the pleasure of the House to adopt the said motion?

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

• (3:20 p.m.)

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, GUARANTEEING OF SECURITIES

Hon. Allan J. MacEachen (for Mr. Benson) moved that Bill C-186, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1970, to the 30th day of June, 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways Company and certain debentures to be issued by Air Canada, as reported (without amendment) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mr. MacEachen (for Mr. Benson) moved that the bill be read the third time and do pass.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I think there is general feeling that the bill might be disposed of at this stage. There is a certain undertaking with regard to a committee on which this hinges; it was discussed with the Minister of Transport (Mr. Jamieson) in committee. The President of the Privy Council (Mr. MacEachen) may wish to outline to the House the particulars of that arrangement.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Peace River (Mr. Baldwin) has taken the words out of my mouth. However, that does not deter me from repeating them, does it?

Mr. MacEachen: It never has in the past.

Mr. Knowles (Winnipeg North Centre): When this bill was under consideration by the Standing Committee on Transport and Communications, the Minister of Transport (Mr. Jamieson) made three commitments. It was understood that if these commitments were confirmed, there would be no objection to the bill being passed at the third reading stage without further debate. The three commitments were a reference of the capital structure of the Canadian National Railways, a device under which the officials of the Canadian National Railways could be called before that committee and a device under which the officials of Air Canada could also be called before that committee. I agree with the hon. member for Peace River that it would be nice to have these commitments on the record of *Hansard*.

Mr. James A. McGrath (St. John's East): Mr. Speaker, the hon. member for Peace River (Mr. Baldwin) has said substantially what I wanted to say. When the bill was before the Standing Committee on Transport and Communications I did not have an opportunity to examine the minister. The minister gave the undertaking which I would have tried to extract from him if I had been there, that is, to call before that committee the senior officials of Canadian National Railways and Air Canada. It is only

with that understanding that I am prepared to allow the bill to be given third reading at this time.

Hon. Allan J. MacEachen (President of the Privy Council): In connection with the first point, Mr. Speaker, namely, reference of the capital structure of the CNR, I undertook to give that assurance to the House some time ago. I repeat it. There will be no difficulty on that point. With respect to the device to enable the officials of the Canadian National Railways and Air Canada to appear before the committee, there will be no difficulty on that point; we will certainly undertake to make that possible.

Mr. Knowles (Winnipeg North Centre): And no doubt it will be supported in the committee.

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

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

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CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed from Tuesday, February 23, consideration of the motion of Mr. Benson that Bill C-219 to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs, and the amendment thereto of Mr. Saltsman (p. 3648).

• (3:30 p.m.)

Mr. Jack Murta (Lisgar): It occurs to me, Mr. Speaker, that there has never been a time in the history of Canada when the efforts of backbenchers have been as unrewarding as they are today both in terms of individual satisfaction and in terms of service to those voters who supported them.

The way in which backbenchers on the other side of the House leap up to speak in favour of every piece of legislation proposed by their leader makes me believe they would not dare do anything else. To judge from their behaviour one would suppose that every bill presented by the government is perfect in all respects, yet all of us here know there is not even a remote possibility that the government will ever put forward a bill which is perfect in all respects.

I am mystified by the manner in which every bill sponsored by the government is accepted by backbenchers across the way as if it had been passed into legislation even before it had been debated. There has never been a time in history when dissent has been more fashionable, yet never a word of dissent is spoken from the benches opposite against the steady erosion of the powers of Parliament by the government they support. At a time when dissent is virtually the order of the day, there is never a word of dissent forthcoming from mem-

bers across the way as their government sets out on a path which brings wanton destruction to Canadian institutions and Canadian aspirations.

Bill C-219, the bill before us today, is no better and no worse than any other bill which the government has tabled during the time I have been in this House. I must say, Mr. Speaker, as my hon. friends have said already, that this bill is just more of the same. As is the case with other bills which we have debated recently, we are expected to pay dearly for anything in this measure that is worth while. In exchange for an ounce of benefit to the community we are expected to give a pound of concessions.

My first reaction to the bill was one of pure amazement. I wondered whether it was the same bill the Minister of Finance (Mr. Benson) was thinking about when he launched it with such fanfare. My impression was that the government was attempting to get out of the Crown corporation business simply by changing the name of the game. I can see the government getting into the business, commercial and industrial community on a scale which would make even the NDP blush with shame. The way the CDC is designed to operate leads me to foresee the day when the government will be stuck with every industrial concern in the country which cannot pay its own way or show a profit.

I believe the corporation is bound to be subjected to a great deal of political pressure. The bill starts out so innocently that one is lulled, at first, into believing that here is a government measure which has nothing to do with grabbing power from Parliament. It does not take much study of its provisions, though, to realize it is not a bill which will inject much-needed new blood into the free enterprise system and give the Canadian investor an incentive to gamble on the future of industry and resource development in this country.

I am disturbed by the way in which this legislation is written and by the attempts of its writers to disguise the true importance of its manifest dangers. To begin with, an attempt is made to convey the impression that the federal government's total involvement will be limited to $250 million out of a total of $2 billion. In succeeding clauses, however, we find that the Minister of Finance will be allowed to make loans to the corporation up to a total of $100 million, such sums to be secured on the basis of shares of stock in the corporation. This would bring federal government involvement to $350 million. Further, clause 39 gives the government power to divest itself of several Crown corporations by selling them to the CDC for cash or for additional shares of stock.

I do not know what value the government places on Polymer Corporation Limited, Eldorado Nuclear Limited, Panarctic Oils Limited and Northern Transportation Company Limited. There is little doubt in my mind that these viable corporations will be valued in the hundreds of millions of dollars, so we find ourselves becoming involved to the tune of $600 million or $700 million in a corporation whose dubious purpose it is to encourage and stimulate investment in Canadian private business and industry.

[Mr. Murta.]

Further to this, there is no guarantee that the remainder of the $2 billion capitalization will ever be subscribed by the private sector. All moneys loaned by the corporation will be secured on the basis of shares in the businesses borrowing money from the CDC, Thus, the CDC will own at least a minority interest by way of a mortgage in every company which borrows from it. We can assume that in many cases the CDC will be vested with a majority interest in such companies.

There is an implication in this bill, Mr. Speaker, that Canadians who hesitate to invest in viable, healthy Canadian companies at the present time will be greatly encouraged to invest in the same or other companies since from now on their investments will be guaranteed against failure or loss. Nothing could be further from the truth. Clause 24 of the bill provides:

> Notwithstanding sections 21 to 23, and section 36, the company shall not redeem or purchase for cancellation any of its shares if the company is insolvent or if such redemption or purchase for cancellation would render the company insolvent.

End of quote and end of any illusion that Canadians are likely to rush to invest in the CDC. Clause 41 contains a provision whereby the Deputy Minister of Finance and the Deputy Minister of Industry, Trade and Commerce automatically become ex-officio members of the board of directors of the CDC at such time as the shares in the CDC held by the government exceed 50 per cent of total outstanding shares. I will not say that the government anticipates acquiring more than 50 per cent of the shares of the CDC, but it is clear that the administration does recognize the possibility, perhaps even the probability of such an eventuality. In all conscience, I cannot see how the additional burden of federal government bureaucracy, with its attendant inefficiency and expense, can possibly make investment in the private sector of Canadian or any other industry more attractive than it is under our present free enterprise system.

I cannot help thinking that any industry which cannot succeed with proper management and private financing, assuming it is dealing with a saleable commodity, would be a poor risk or at best a marginal risk. There is a great danger that the Crown corporations which are presently self-supporting and which return a profit to the treasury may in future be used to shore-up losing propositions, and I cannot see how the CDC could possibly be other than a losing proposition from the start.

At the outset the CDC would give the appearance of being a viable corporation solely through its acquisition of the four Crown corporations. I fail to understand how it would benefit anyone, least of all the Canadian people, for the federal government to appropriate funds with which to purchase corporations from itself. In effect, it would be taking the Crown corporations out of one pocket and thrusting them into another pocket in the same pair of trousers. It is possible that this makes sense but it is not probable, and I should like to see some demonstration of the advantage of such an exercise before I would be agreeable to voting favourably on this bill.

Bill C-219 makes no attempt to answer the real question of why Canadians are less inclined than Americans to invest in Canadian industries. Indeed, there are no provisions in it for assistance in cases in which a United States takeover of a Canadian industry is imminent. Inclusion of such a provision might at least have been a saving grace. It might have been some indication that the government intended this measure as the vehicle for rescuing some if not all of the firms which might be in danger of takeover by foreign interests in the future. I seriously doubt whether anything as elaborate as the CDC would be required for such a purpose. Moreover, I would hope that should any measures be adopted to prevent takeovers, the viability of the firms concerned and their ability to provide jobs are preserved intact whatever the means employed. I can see such a possible role for the CDC, and its adoption would cause my attitude toward the usefulness of the corporation to change somewhat. But it would still not be sufficient reason for risking the dangers inherent in the CDC concept.

Speakers on this side of the House have pointed out repeatedly and with great clarity that the real stumbling block in the way of full confidence on the part of Canadians in the investment possibilities of their own country is to be found in the nature of the tax structure generally. The answer is to be found in the incentives and in the reduction of risk provided by other countries in their tax arrangements. Successive Canadian governments have been aware that United States and Japanese investors are encouraged to develop resources and industries in Canada on as large a scale as practicable.

Corporations in those countries are encouraged, not by infusions of federal capital but by tax write-offs on high-risk development capital and by other tax benefits. Canadian tax laws have always discriminated against Canadian investors and developers, and it always amazes me when I hear nineteenth century Socialists advocating the nationalization of foreign-owned interests in this country rather than urging that the privileges extended to foreign investors be extended to Canadians also. We can no longer overlook the paradox that many United States takeovers in this country were accomplished by means of funds subscribed, borrowed or earned in Canada.

There is one aspect of foreign ownership which works in our favour and account must be taken of this in any measures designed to restrict foreign investment. Subsidiaries of foreign concerns in Canada enjoy a favoured position in the markets of the parent country, which tends to ensure the viability of the Canadian firms thereby preserving the jobs of their employees and maintaining the buying power of the enterprises concerned. This is not nearly as bad for us as some people would have us believe. But it would still be desirable for the government to learn something from those countries which find Canada such a tempting investment prospect. There is surely something to be learned from companies and countries which for many years have reaped enormous returns from their investments. I think it would be more satisfying to be the owner rather than the owned.

There is one further observation I should like to make and it concerns an apparent inconsistency in the government's efforts to stimulate interest among Canadians in investment in their own country. On the one hand we have this bill, purporting to be the vehicle by which Canadians will be encouraged to invest their money in home-grown corporations and ventures with a benevolent federal government as partner. I have already pointed out that the bill contains no built-in guarantee that such investments will return a profit. There are no safeguards against the money being dissipated by bureaucratic inefficiency or poor management. The CDC is just another investment possibility, and bureaucrats are not known as being astute managers and innovators; they are certainly not trained or experienced in sound business practices. On the other hand there is the government's white paper on tax reform, a classic example of muddled thinking and restrictive monetary policies. The white paper is an economic straitjacket designed to discourage investment and to strangle the productive middle range of our economy.

• (3:40 p.m.)

The introduction of the white paper stirred the business community to near panic, yet the government is planning to impose its proposals on the country. If I were able to consider the Canada Development Corporation concept in isolation, then I would be able to make a fair assessment of its possibilities, though even then I doubt seriously I could accept it as the alternative most desirable for our purposes. We need incentives to invest in Canada. The capital is here and the Canadian people are more inclined to invest in their country than we are led to believe. But federal government intervention in the private sector is not the answer; neither are restrictive and oppressive tax measures.

I must look at Bill C-219 in concert with other government measures that have passed this House or that are in the process of passing. I say this because with an overwhelming majority the government can pass any bill it chooses to pass, whether or not it is good for the country. I have to consider the Telesat Corporation, the proposed farm products marketing bill, the omnibus bill and the white paper on tax reform. When I consider Bill C-219 in company with those other bills, I see a pattern that disturbs and alarms me. I see a government legislating not for the good of Canada or for Canadians but a government legislating for itself. I see a government reaching out for power in the agricultural sector, in the communications sector, in the financial sector, and now in the business and industrial sectors. I would feel a little better about it if I heard just one small voice on the government side raised against this erosion of the Canadian economy and the Canadian Parliament. But I am afraid that I am in for a very long wait.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I welcome the opportunity to participate in this debate, and I welcome it for two particular reasons. Last week we had an

emergency debate on a very important matter, namely, the sale or possible sale of Home Oil Company. I do not think that this debate answered all the questions raised with respect to the Canada Development Corporation, but it did indicate, perhaps better than hon. members opposite have done, what the role of the CDC should not be. Since it may not have indicated what the role of the CDC should be, it is to this point that I address myself this afternoon.

I should also like to emphasize that the Canada Development Corporation is only part of a larger concept. It is but part of an industrial strategy, one that will include the whole question of Canadian ownership. I think it is within this context that we must examine the role of the CDC. The CDC has become a very important subject. It is a very big corporation, a $2 billion corporation, and there is no question that both in the House and in committee the provisions of this bill will have to be very carefully examined, particularly since over the course of the eight or nine years that the CDC has been gestating the role of the CDC has changed.

Almost everyone has his own idea what the role of the CDC should be. I suppose it has become the answer to almost every nationalistic maiden's prayer. For some—I think for many members of the NDP—the CDC should be the vehicle for buying back Canada. However, these members conveniently forget that investments in Canadian industry run somewhere between $40 billion and $50 billion. Blithely they say, "Well, this is something we should be devoting our resources to", forgetting the future. They also forget the question of foreign exchange and the fact that in recent years we have been generating, during fortunate periods, a surplus balance on current account of a billion dollars.

Mr. Thomson: Forty-seven hundred million right now.

Mr. Gillespie: So briefly, for many it would be the vehicle for buying back Canada. For others it would be a preventive "buy first" vehicle. I think this question troubled the hon. member for Lisgar (Mr. Murta) who has just spoken. I think he was concerned—these are his words or something similar to them—that it might be stuck with every industrial failure in the country; that it would be subject to political pressures that it could not withstand. I think that the debate regarding Home Oil Company last week helped to illuminate this particular problem; not that there was any failure involved on the part of Home Oil Company, but a company like Home Oil is often worth more to a foreign purchaser than it is to a Canadian purchaser.

Mr. Thomas (Moncton): Why is that?

Mr. Gillespie: If the Canada Development Corporation were to get into the business of pre-emptive bidding, it would not then meet the test of profitability. The hon. member opposite asks me: Why is that? If he understood how business organizations worked, he would realize that there are certain values in integration, particularly of international integration. Let him consider for a moment that there might be economies of scale involved and of marketing arrangements where a fit was involved.

Mr. Thomas (Moncton): What about tax advantages?

Mr. Gillespie: I do not think the hon. member should refer to tax advantages which really fit the Home Oil situation. That has nothing to do with the tax situation here. I think the hon. member for Waterloo (Mr. Saltsman) argued that the Canada Development Corporation should be a giant corporation that would stimulate regional economic growth. I think that is what he said in his remarks on second reading several days ago. He would even have taken it further and set up the CDC as a centralized planning mechanism, a mechanism that would concern itself with allocating capital resources that would meet national needs, undefined, and would not concern itself with earning a profit.

Similarly, in the debate last night the hon. member for Compton (Mr. Latulippe) made a strong and vigorous presentation. He has a most persuasive manner. However, I must confess that I did not understand all his arguments, though this may well have been the fault of the translation. Nevertheless, I do not want to be unfair either to him or to the translators. I think the hon. member interpreted the role of the CDC in very large and considerable terms.

The hon. member for York East (Mr. Otto) attacked the subject again but from a very different point of view. He felt that the Canada Development Corporation should concern itself with providing a guaranteed return for shareholders—I think that was his expression. I would say that if the CDC is going to concern itself with guaranteed returns, then why does it not just sell bonds? Certainly there would be no purpose in selling shares and having shareholders.

The point that I am trying to make is that over the years the CDC has blossomed into a hodgepodge of ideas. The CDC concept originated with Mr. Gordon back in 1962, a man I think we would all recognize of vision and energy, as well, perhaps, a man of some impatience. He saw the problem that many of his colleagues and many Canadians did not see and moved to correct it. Perhaps he moved too fast because the country was not then ready to understand the problem that he saw. He was a man, though, who spoke of this concern and warned his people. Again, with this process—the buy back of Canada, the pre-emptive purchase, the giant mutual fund, the national planning mechanism, the guaranteed return, the opportunity for the small investor to develop Canada in an unstructured, undirected way—here for the first time we have before us this bill in respect of the Canada Development Corporation. Surely it should set to rest many concerns which have been stated in this House.

• (3:50 p.m.)

First, it is emphasized that the corporation will be a private corporation concerned with the private sector. The hon. member for Waterloo has argued that it should have been created a Crown corporation. He has moved his amendment essentially on that ground. He seemed to

me to be confused about how such a Crown corporation might operate. Some of his remarks seemed to suggest that the financial community should be forced to invest in such a corporation and to finance it. This is an attitude we quite frequently see on the part of the New Democratic Party, a party which calls itself democratic. In areas of economics and finance it frequently takes a hard line attitude; it frequently takes the attitude that a certain group should be forced to do something. I believe the whole spirit of our economy must be built on the idea of creating a favourable climate for growth, that no one should be forced but that opportunities should be provided for many.

Those Conservatives who have taken part in this debate and do not approve the legislation—there are those who approve it in principle—have decried the fact that this is a Socialist device. I emphasize that this is a private corporation, concerned with the private sector, which is to have a board of directors drawn from the private sector.

Mr. Speaker, as I said earlier in my remarks, this is a big subject. I should now like to deal with some of the areas in which I hope we will be able to move, because I think there are one or two questions which need attention. The purposes of the bill are clear: they are stated in the bill itself. One purpose is to help develop and maintain strong Canadian controlled and Canadian-managed corporations. There is no question that the corporation will be an important one. Its powers are established and are clear. It is to have considerable resources. But I believe a question we might properly ask is this: Is the timing of this corporation suitable at the moment? In my introductory remarks I stated that I saw the Canada Development Corporation as part of a major industrial strategy. It would seem to me to be important that some of the other parts of this major industrial strategy, particularly the part dealing with foreign ownership, be before Parliament before we proceed too far. In clause 6(1)(c), on page 3, the bill provides:

> to invest in the shares or securities of any corporation owning property or carrying on business related to the economic interests of Canada—

Similarly in subclause (d):

> to invest in ventures or enterprises, including the acquisition of property, likely to benefit Canada—

I have the following problem in respect of these clauses. Who is to determine what is in the best interests of Canada and who is to determine what is likely to benefit Canada? Is it to be this Parliament, the government or the board of directors of the Canada Development Corporation? I for one would not be happy if I felt this Parliament were delegating to a board of directors of a private corporation the responsibility for determining what is in the best interests of Canada until such time as Parliament had made very clear what it expects the corporation and its directors to regard as the best interests of Canada. The question then is, who is to determine what are the best interests and what are the criteria.

I believe the Minister of Finance (Mr. Benson) was most helpful in his remarks when presenting the bill for second reading. He set forth many of these elements. They might be described as some of the elements or objectives of an industrial strategy. For instance, he emphasized that the corporation will be concerned with the future rather than the past. He emphasized that the corporation should consider Canadian control as important. He emphasized that efficiency of Canadian industry is essential—I believe those were his words—that the rationalization of Canadian industry is an important element in providing for the efficiency of Canadian industry, and that this corporation might meet that test.

He set forth several other points which I think might be included in this area. He emphasized that Canadian industry must be able to compete with multinational corporations on an international scale. He emphasized the importance of building Canadian-based multinational corporations. He said he felt the corporation should give special attention to our resource industries, to those of high technology, to our northern industries and in industries in respect of which Canada has a comparative advantage.

Mr. Speaker, I commend to members of this House pages 3630 and 3638 of *Hansard* which reproduce these statements of the Minister of Finance. They represent an important part of an industrial strategy. While I do not pretend to have researched this subject in depth, I would argue these are the most reasonable and comprehensive statements made recently by a government spokesman in respect of an industrial strategy for Canada. So in that sense I accept the Canada Development Corporation as a fitting instrument to secure the objective of an over-all industrial strategy. However, as I have indicated there are several areas in respect of which need to articulate the policy in the industrial area. Perhaps very shortly these will be before us. They have to do with the competitive policy, science and technology and foreign ownership.

• (4:00 p.m.)

I suggest that it would assist enormously the House and the public if we could consider this bill alongside the governments' proposed policy on foreign ownership. The debate last week with respect to Home Oil emphasized to me the need to establish rules regarding the takeover of Canadian industry. In that connection it would seem to me that a takeover review board is an essential mechanism so that at least the national interest can be considered by persons given the specific responsibility of assessing the takeover. By that I do not mean the review board will not authorize some takeovers. I am sure there would be many industries and companies approved for foreign takeover by the review board, but there might be many more takeovers which would not be in the national interest.

In conclusion I would emphasize that in my view the Canada Development Corporation is an important instrument of industrial policy. I regret that we do not have at the present time a foreign ownership policy to consider alongside it. I urge the government to give priority to bringing in a foreign ownership policy. I have one other reservation with respect to this bill. I hope that it will be a long time before shares are sold to the public because it seems to me that if the CDC is to do the kind of things

which need to be done, it will have to take a very long view.

The directors will have to look five years and more into the future. If they are looking for quick returns, they will not be doing the kind of things that need to be done. If they take the long view, the question of earning sufficient profits to pay dividends will be less important if they are not faced with having to pay dividends. If we are to sell shares to the public, surely we will have to be prepared to pay dividends within a short space of time, or we will have to show such an improving or stable earnings record that the future payment of dividends can be assured in order to establish the value of the shares and perhaps some opportunity for appreciation.

It seems to me there will be enough problems in developing and launching the CDC initially, without having to think about problems of this kind. I would argue with the hon. member for Lisgar on this point, that the more independent the CDC can be, the better it will be able to resist the kind of political pressures that he and I are concerned about. The important thing is that the CDC be designed to withstand the kind of political pressures about which we are concerned. It should be designed to meet the test of the marketplace. I urge the House to give the establishment of the CDC favourable consideration, notwithstanding the reservations I have stated this afternoon with respect to the timing of its introduction.

Mr. Rod Thompson (Battleford-Kindersley): Mr. Speaker, I listened with a great deal of attention to the hon. member for Etobicoke (Mr. Gillespie) as he listed, in his own inimitable way, the reservations that he has regarding the CDC. However, I expected something different from him because, as I understand it, the hon. member for Etobicoke is supposed to be in favour of Canadian-based multinational corporations and I thought that perhaps he could tell us how the CDC could help to establish just such firms which I understand he supports. I assume he has his own reasons for not doing so, but I had hoped he would do so and that he would contribute something new in the way of ideas to the debate.

As I understood the hon. member for Etobicoke and other government speakers, they are promoting the bill with the rather uncertain enthusiasm of a middle-aged man paying court to an 18-year old girl. In this case their suit might not be as effective as they would like it to be. We do not criticize the minister or the government for not riding off madly in all directions developing Canada seen or unseen, but we suggest they show a little more enthusiasm for what the CDC could be expected to do.

The hon. member for Waterloo (Mr. Saltsman) and the hon. member for Selkirk (Mr. Rowland) have listed some of our reservations about the bill, but I would like to suggest some things which I feel the CDC could or should be doing. Some of the suggestions which I have might not be ones which the CDC will automatically adopt, but they might consider them at least. If we are going to develop industry in Canada we should be concerned with producing goods and services which are needed and for which people are willing to pay. I do not see any point in producing something, either in goods or services, for which there is no market in or out of Canada. We want products that are both economic and reasonable.

A bill such as this should have a positive approach and I suggest that the CDC might look at new ideas. If it does not, then why bother? For example, the Polymer Corporation produces rubber. If it would be in the national interest for it to be under the CDC, I would not argue against that. But if all the CDC is to do is produce rubber or products that are already being manufactured, then why bother? In Manitoba the Atomic Energy Corporation is building a new type of transmission line. They seem to be doing a good job and I have no criticism of them, but if the CDC is to produce something that has already been produced, then why bother?

I will suggest some things which might be considered so that we can have new ideas which can be used. I assume that the CDC will have adequate research funds to look into any new ideas which they will promote, or at least that they will have access to adequate research facilities. They should have sufficient research facilities to prove the product before they attempt to produce it. I think, also, that they should have cost accounting officers among their officials who would be prepared and able to consider these matters in a truly businesslike way, to see whether a certain item might be profitably produced in Canada or for marketing abroad if necessary. Such a corporation must have adequate and efficient business management which will make sound business judgments. There should be a willingness to venture into new fields which I will mention in a moment.

There are certain problems in Canada which should be tackled. For example, in eastern Canada we have not had for a long time a winter as bad as this one. This has caused leaking roofs. Some way of removing ice from the roofs could be considered by the CDC. I do not see why the CDC should have to do it; the building construction people should be doing it. But apparently they are not. Perhaps the CDC should also consider establishing a company to manufacture glass that will not frost. This would be an advantage in Canada. A corporation or a government group in Ottawa has produced a frost foam. This is a new product which might well be produced and promoted in Canada. As a farmer, this is something which I suggest we might use and produce commercially and which might be sold in Canada as well as abroad.

• (4:10 p.m.)

The other day the hon. member for Waterloo mentioned the Laser. Again this is an item we have developed in our government corporations. It was a new thing, a useful thing, but the companies that took over the idea have financial difficulties and inadequate resources with which to do a proper job. This is another area which the Canada Development Corporation should consider. A few days ago we dealt with a textile bill in this House. The intent of the bill was to bring some rationalization to the textile industry. This may be a logical area for the Canada Development Corporation to move into, to help promote new textile products and then perhaps to sell

out to the textile industry at a later date. I suggest there is a great deal of room for improvement in winterwear in Canada and in the kind of textiles we produce. These are matters which the corporation might logically be expected to consider.

Last fall the Department of Industry Trade and Commerce published a little pamphlet outlining a study it had conducted on the dairy industry in Europe. It discovered that the European dairy industry was quite successful, compared with ours. In Europe they had a whole list of new products and new methods of packaging items, as a result of which buyers were rushing to buy them. The net result was that the sale and consumption of dairy products in Europe had gone up. But apparently nobody in the Department of Industry, Trade and Commerce is following through on that study. I might ask why, but that would be another argument. This, too, is an area at which the CDC might look to see if it could develop similar types of products in Canada and later, on a cost or cost plus profit basis, sell out to the Canadian dairy industry.

I would like to talk for a moment or two about atomic energy. It seems to me that this is a logical area for Canadians to be involved in because we have given leadership in this field. Recently the Minister of Energy Mines and Resources (Mr. Greene) returned from Japan with great ideas about the possibility of building an enriched uranium plant in Canada. If this were feasible, it seems to me quite logical that it would be built by the Canada Development Corporation. There is the possibility of surplus power being available for such a project either in Manitoba or southern Saskatchewan. The CDC might co-operate with the government of Japan in building such a plant. I know that if I were the government of Japan, particularly after the recent shake-up in the international oil markets, I would be looking for alternative sources of energy and I would certainly be looking to a country with a stable government to help supply me with those sources of energy. We in Canada could produce enriched uranium. We could even sell them atomic energy plants if they wanted them. This is the kind of thing a CDC might be working at and promoting. It could coordinate the resources of the nation to build a project as large as this. I do not think private industry could undertake such a project; if it were to be done it would have to be done under the CDC.

I wish to emphasize something that I mentioned when I began my speech. If there is no great enthusiasm for an undertaking such as the Canada Development Corporation, and if not much pressure is put on it by a minister or by the government, then it will not achieve much; it will not have any great effect on the economic scene in Canada. Unless the government is prepared to administer it with a fair bit of enthusiasm and concern, we will not get many results from it. Many of us on this side of the House disagreed with the policies of a great industrial promoter in a previous Liberal government, the late Hon. C. D. Howe. But at least he had enthusiasm for industrial promotion in Canada. We agree that he contributed much, even if we did not agree with the methods he used. There does not seem to be that kind of enthusiasm in the present government. If we had the kind of enthusiasm that built Air Canada, we might take the CDC and really go somewhere with it.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I had not intended to participate in this debate today, so my intervention will be brief. As I listened to the Minister of Finance (Mr. Benson) when he introduced the bill I could not help thinking of what I had been taught when I was a school student about different types of investment. I was always led to believe there were two different types of investment open to the individual or large corporation. One was to obtain the largest, consistent, periodic yield on a more or less guaranteed basis. This type of investment normally would not have much to do with the management nor the administration of the corporation into which the investment was being made.

Canadians have been great people for this type of investment, the sure, safe, blue chip type of thing. They have been more concerned with security, more concerned with guarantees than with risk capital. The proof of the pudding is the fact that Canadians by and large are the largest per capita owners of life insurance of any nation in the world. The other type of investment is normally the high-risk type of investment designed to bring about the largest growth factor, or an increase in equity. With these two different things in mind, I am concerned about how the Canada Development Corporation can ride two horses and how it can justify its existence from the standpoint of developing this country, which is what the name implies it will do.

• (4:20 p.m.)

In my opinion, if we are to develop this country money must be funnelled into investments that are pretty "scaly" or speculative. Some of those investments may bring no return whatsoever. On the other hand, this government proposes to take a facility and Crown corporation or two that belongs to me, to all Canadians, and give it to the corporation. We own these outfits at present, and I see no justification for my equity in a high-class corporation like Polymer being dissipated by the government. Why should it give such corporations to the Canada Development Corporation and then use some of the money on high-risk propositions that are essential?

High-risk ventures are absolutely essential if we are to develop this country. But, Mr. Speaker, you cannot take the money of an investment fund that guarantees you 5, 6, 7 or 8 per cent annually—this being the type of fund that widows and orphans need—and invest it in a speculative oil well or an unproved mine. Historically, people who invest in ventures like these lose on more occasions than they win. It is just like going to the race track. When you win, you win big. This is the secret of the race track. That is what we must keep in mind when considering the Canada Development Corporation.

Something disturbed me a great deal as I watched a CBC presentation a few weeks ago. Normally I am not the CBC's greatest fan, yet I felt that the short documentary they put on one evening had merit. The presentation

was more or less an informal discussion period among a group of investment bankers and members of the Toronto Stock Exchange. I was interested in hearing some of the things said during that presentation. They asked, how is it that so much Canadian money being invested through that stock exchange is being invested in foreign securities? How come so many of our large financial institutions, insurance companies, trust companies, etc., are investing money on behalf of their clients outside of this country. I really think these people are doing the best they can for their customers and clients. They must therefore consider some of those things I mentioned at the beginning of my remarks. They must feel that those types of investments are safer. They must feel that investments like that, investments made in other jurisdictions, will be more profitable, considering the socialist tax measures proposed in the white paper. I think these factors must weigh heavily with them.

Mr. Comeau: The hon. member is quite right.

Mr. McCutcheon: Having said that, may I mention something which to me as a Canadian is more disturbing than the platitudinous, patriotic talk we hear all over Canada about buying Canada back.

An hon. Member: It is platitudinous talk.

Mr. McCutcheon: The *Wall Street Journal* points out clearly that one of the biggest industrialists on the North American continent who controls a very large corporation owns in this name only 7 percent of the stock of that corporation. His family owns the balance, which is in their names. Their total holdings amount to 20 per cent. But nobody in this chamber can tell me that Henry Ford does not control the Ford Motor Company. So when I hear platitudinous talk about Canadians owning 51 per cent of the stock of companies, and about ownership, I suggest that the people concerned ought to take a good, hard look at the facts of life and see how corporations are manipulated and controlled.

Some hon. Members: Hear, hear!

Mr. Dinsdale: That's the stuff. Tell it to the people across the way.

Mr. McCutcheon: Having said that, I think I should tell this government about one more danger sign which to me has much more sinister implications and is much more dangerous than almost anything else. We are a developing country; our economy is not stagnant, as is the economy of developed nations like Britain. We are still developing. I am not as much concerned about foreign investment in this country as I am about something else happening in the world which, in my humble opinion, is very dangerous indeed. I refer to the amount of information which is being stored in various data computing centres outside this country. I am not disturbed about investment per se; I am disturbed about all the information on Canadians and Canadian businesses that is being stored with corporations and companies engaged in the data processing business. This monster is far more dangerous than a few American dollars invested in our industry.

Mr. Dinsdale: They have more information than Information Canada.

Mr. McCutcheon: Exactly.

Mr. Thomas (Moncton): That is not much.

Mr. McCutcheon: This is an area to which the government should forthwith direct its attention.

• (4:30 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we in this party have looked forward to a Canada Development Corporation for many years. We have suggested a development corporation in which the government could show an interest. We now find that the Liberal government, as it has often done in the past, have bastardized the words "Canada Development Corporation" and have introduced a bill which we cannot support. We should not be too surprised, because this has happened on other occasions. It has often been said that we in this party are Liberals in a hurry. If that is true, we can go a lot further on that trail before the Liberals catch up. That is certainly true in this case.

The minister has stated that no assistance will be provided to any company with less than $1 million capitalization. If the CDC is not going to assist small companies, the assistance will be no more than that provided in the past to companies which have no need for this type of legislation. If we are going to make tax concessions to a large corporation, and I consider a company with $1 million capitalization to be fairly large, we will not be doing anything for the type of industry that will be involved in a large portion of this nation in the next 20 years.

Many pious proposals have been advanced by this government to solve the problems of the underdeveloped and disadvantaged areas of this country. In most cases they were of the same type as the proposals outlined by the minister for the Canada Development Corporation. There has been an erosion of the Canadian economy because of the government's tax structure, the fact that we do not have a capital gains tax and that it is much easier for a branch plant of an American company to establish and operate effectively within an international market than a Canadian company. That erosion has extended to the point where it affects more than 90 per cent of the oil industry. Many hon. members say what a wonderful organization Home Oil is because it is a Canadian company. At the same time, the Canadian public will not invest $10 million in this company which has assets of over $200 million. I am aware of the liabilities of this company as well. The president of the company is probably the greatest liability.

The minister has stated that the corporation will not be able to participate in the type of rescue operation that is necessary for many of our industries. This bill will assist the large companies which do not need help, in the same way that they receive assistance in the way of area development loans and assistance because of regional disparity. In most cases it will help American branch

plants out of difficulty. It will not be involved with those companies which have very large hope of success.

I would be prepared to invest a few dollars in Home Oil. Knowing the long-term debt which they have and the manner in which it is secured, if I had the money I would be prepared, along with a small number of people, to invest $10 million in Home Oil. This company controls a large distribution company in England and one in the United States which handles gas. It controls a large company which handles rail containers for butane and other gases. It controls approximately 360 producing wells, many of them capped, and has a large interest in 500 million acres in Alaska. If I were in charge of that company I would be able to control production and distribution of oil through leases held by the company. The government will not invest $10 million to take over some of the current liabilities of the company in order to provide the Canadian public with this kind of organization.

What did the government do with regard to books? This subject has been widely touted. The Conservatives in Ontario were in a position to do something, but what did they do? They all sat back in pride. I am sure that some members of the United Church even prayed that the United Church of Canada would be a responsible organization and retain the ownership of Ryerson Press in Canada. How much money did it involve? In the future, the majority of text books for Ontario students will be purchased from an American company. Canadian history will be written by Americans and published in the United States. Obviously they will rewrite the battle of Queenston Heights. If they are brave, they will rewrite the battle of the Plains of Abraham. I do not know on which side they will come down. The cost to the Canadian public will be fantastic through the loss of our major book-producing companies, the textbook industry in particular, and the important role it must play in Canadian education. The minister will say he could not get involved because it is a provincial matter. The government of Ontario will say they could not get involved because they were not sure they had jurisdiction. While the matter was being discussed, the transaction occurred. It is the type of thing that once we lose it, we can hardly rebuild it.

We need a Canadian development agency. I was interested in the remarks of the hon. member for York East (Mr. Otto). He talked about establishing the kind of corporation that I suggest. He mentioned there was a great deal of difficulty sorting out capital that is being retained by insurance companies, banks through savings and the type of capital that is normally used to develop companies. The government should pay attention to what that hon. member said yesterday. He seems to know what he is talking about, which is more than most members of the government when it comes to finances. It is certainly more than I know, because my knowledge in this field is limited.

If all hon. members seriously consider this matter, they will be of the opinion that if the Canadian public are given the opportunity to invest in a bona fide Canada Development Corporation they will do so for several reasons. They will invest because they know that a company which is properly operated by the government can be a success. Even more important than the amount they may receive in return is the fact they will be launching many new businesses in this country which will remain in Canadian hands.

• (4:40 p.m.)

There is a small smelter in my area. It has had a sad history; I shall not go into all the details. I am sure, though, that if an agency like the CDC were operating now in the way in which I hope it will eventually operate, we would be lending money to establish a smelter in the Cobalt area to smelt silver and precious metal ores in northern Ontario. The smelter we already have is reported to be holding a large amount of silver against the international price of silver. Because the price is low, it is losing money and it may have to close down. Some people may say, "So what?" Well, if it closes down there will be nowhere in Canada to which silver mines can send their ore. This might not matter much, except that in the area of which I speak more than 25 per cent of the work force is unemployed. There are still 450 miners working in the lode silver industry in the area, some of them in mines which have been in continuous operation for 60 years.

As I say, the industry has had its ups and downs. They sent their ores originally to Montana, though they did some smelting in Cobalt. From time to time they renewed their relationship with the St. Helena, Montana, smelter. The United States smelting company is not very interested in handling the ore because the arsenic content of Cobalt ore is exceptionally high. So there has to be a smelter in the area. I am not suggesting we should buy the smelter which is already there, or nationalize it, or take it over. It all depends on whether or not it is an economic proposition—perhaps it is not, in which case the government is partly to blame because it along with a number of others decided to melt down its silver currency. Carloads of silver were coming in from the Canadian Mint, from the United States, from Mexico and from South American countries. To deal with this work, the company expanded its operations. Finally they possessed a smelter which was larger than was necessary for the smelting of the local ores.

I believe this is the kind of proposition in which the CDC could invest. It would be providing a service for the area, it would be doing so on a sound economic basis and it could do so profitably. In addition, the government would be serving its own interests, because we still need monetary silver. In addition, the smelter would be playing a much larger role in the economy of the whole silver industry. If something is not done along these lines, what is the alternative? We shall end up paying welfare benefits to all the people in the area because most of them have reached an age at which they cannot be retrained or relocated.

The entire municipality of Cobalt is dependent upon whether or not a smelter is in operation. I do not know whether free enterprise will invest in such an undertaking. I would think not. In any case, private enterprise

would be concerned only with the smelter, and I am concerned with the future of the whole industry in this region. Those who will be administering the CDC, as I see it, will be interested in developments of this kind. I believe the government should put money into the CDC and I believe the people will be willing to do so.

When the CDC advances funds to a company it should receive equity stock. To my mind there has never been a more stupid operation than the system of regional development grants. We provided to Timmins an immense amount of money, $5 million or $6 million, to build a smelter which had to be built there anyway. We provided it, yet we allow Texas Gulf to benefit. Why shouldn't we own it? Why shouldn't we exercise enough control to ensure that all the ore mined in the area could be processed by that smelter?

Why cannot we acquire an equity of 25 per cent or 50 per cent, or whatever is needed to develop a precious metal smelter in the Cobalt area? Why cannot we build a smelter in Sudbury? Why should it be necessary to send ore to Montreal? The reason this is done now is the nature of the grant structure and the fact that the Minister of Regional Economic Expansion (Mr. Marchand) favours Montreal. But I cannot imagine that any intelligent people in Montreal would want a smelter to be built there. In Sudbury the smokestack is almost high enough to be seen from Toronto, and they say that in favourable conditions smoke from it will blow over New York.

An hon. Member: Favourable?

Mr. Peters: If it is intended to develop a mid-Canada resource corridor, we shall need federal money and lots of it. I am not interested in Rohmer getting this grant. It is almost like giving it to Prince Charles to develop the Hudson Bay lands. I am not interested in Rohmer doing it. But let me tell you, Mr. Speaker, that he has shown a lot of initiative and the people associated with him have shown initiative in appreciating all the advantages of a mid-Canada corridor. He thinks it is a heck of a good idea and all he wants from the government is the right to exploit it—and he uses the word "exploit" freely. If he can see any advantage in it, surely there are people within the government service who can look at the proposition and determine what advantages exist for the Canadian people. It will pay handsomely.

It seems we are reluctant in this country to plant trees. I am reminded of a little story I read in the paper about a small community not far from the city of New York whose population decided years ago during a depression that they would plant trees on a large area of land which had come to them in lieu of taxes. They planted the trees and I understand that even today the money derived from the cutting of those trees on a controlled basis is enough to defray all their municipal costs. If this is true of the renewable resources belonging to this little town in New York, I am sure it is all the more true of the northern part of Canada and that if we seriously undertook the development of this region we could expect to be rewarded proportionately.

Recently Premier Bourassa of Quebec was in the Rouyn-Noranda area and was talking about employment and expansion of the base metal industry. There is talk about putting in a new smelter there to handle the resources in northern Quebec as well as some of the resources in northern Ontario. Why should this smelter be built in some other area? Obviously the refinery should be built where the resource is. If it is necessary for the nation to provide financial assistance to build this smelter in the best location, in terms of maximum employment, then we should be prepared to finance it. But companies that ask us for that kind of support must also provide the Canadian people with an equity for the investment they make, and the Canadian people should have some say in the operations. I do not know what guides the thinking of this government, but it always seems to me that it depends upon whose ox is being gored, when it comes to providing help. We are providing many people with a good deal of monetary assistance which is not absolutely necessary.

• (4:50 p.m.)

I see the hon. member for Sudbury (Mr. Jerome) is here. He knows much better than I the amount of money that has been poured into the Sudbury area through various development programs. He would be in a better position than I to decide whether or not a smelter is required in that area instead of exporting the ore to another province. Probably he is also in a better position than I to say whether or not financial assistance is required to build that smelter. But I think he would agree, on behalf of all the people of Sudbury, that they are not very interested in exporting any resource that would assist in the growth of the Sudbury area. Perhaps he would also admit that neither Inco nor Falconbridge needs a handout from the government. If they accept a handout in the form of some tax concession, then these companies should be prepared to give the people an equity, to the extent of the assistance that is provided, in one form or another.

All across the nation, and particularly in resource-based areas of Canada, we are desperately in need of secondary industry. In my area there are two reasonably large iron pelleting mines. I am not suggesting that we should take away from Jones and Laughlin their captive mine, though rumour is circulating that they have sold the mine to the other operating mine simply because Dofasco is Canadian and Jones and Laughlin is not. Whether or not they have taken note of the nationalistic leanings of the Canadian people and decided that this sale would be to everybody's advantage, I do not know, but that is the rumour. What I do know is that northern Ontario has enough iron ore to operate a very large steel mill for many years. There is an immense amount of iron ore in northern Ontario, and this resource can be supplemented from northern Quebec where in the Belcher Islands there is an almost unlimited amount of iron ore. If the government wanted to solve regional problems in northern Ontario, then the installation of an up to date steel mill that would employ several thousand people in the secondary industry that would be built around it would give the Canadian public their money back many times over.

Another problem in northern Ontario is that at the present time there is potential for three additional pulp mills. This potential exists in the Spragge area, at the eastern point of Georgian Bay, and in my own area either at Elk Lake or somewhere along the Montreal River. As far as my own constituency is concerned, this mill is needed. Not only do we need it to create employment; it is needed because the timber on a limit that is much larger than the size of the British Isles is overripe. This limit was held for many years by the E. B. Eddy Company and only recently reverted to the Crown because E. B. Eddy decided to revitalize the K.V.P. mill at Espanola and instal pollution control devices, and as a result found themselves with insufficient funds even to consider the construction of another pulp mill in the Elk Lake area.

I am well aware that we have had our ups and downs in the last several years in the production of newsprint. I am also well aware that no company is keen on building another mill. Yet on the west coast mills are being built. Indeed, mills are being enlarged in northern Ontario. A mill in my area is not only necessary to provide employment and to be an outlet for goods and services; it is absolutely essential if we are fully to utilize the resource of the area. Although this resource is renewable, if the lumber becomes overripe it deteriorates and its value suffers.

In my opinion, if a mill is going to be built in the Elk Lake area within the next five years, it will have to be built with government money. Perhaps not all of the financial assistance will have to be provided by the government, but there would have to be a large contribution by the government. If E. B. Eddy decides to build the mill, we should give them 25 per cent of the capitalization, we should provide them with up to $5,000 for each job created, we should give them a tax free benefit and we should make a number of other concessions to them. Why does not the government put this sort of proposition to the company: If you build this mill with a 60 per cent interest, then we will put up the other 40 per cent and the Canadian public will own that 40 per cent. You will be serving the needs of the people of the area and be providing a valuable service in developing one of our prime resources. At the same time you will have allowed the general public to invest in a Canadian concern.

This bill provides that if Canadians invest some of their tax money, other people will be able to participate on a direct basis. I am not sure you can have it both ways. As far as I am concerned, that proposition sounds a loaded one. If the minister is sincere in this regard, I think he should limit the financial angle to some sort of pension plan where the money invested would grow and the government would participate in the growth of that money. I am not sure that you can justify the "have-nots" having an investment portfolio with the government kicking in tax moneys all the time.

However, the public are not interested in the niceties of these situations; they are interested in the orderly development of the resources of this nation, and with government participation. In this regard there have been regional programs but I think that part of the fault with regional programs lies with the present minister, or certainly with those colleagues of the minister who have a regional identity and direction. But that is not really the crux of the matter. I think the crux of the matter is that some initiative must be provided by the government and the government will have to participate in development of resources.

Therefore, the limitation of $1 million means that in most cases the industries in the resource areas and in the mid-Canada corridor who need assistance will not get it. In fact, the bill is discriminating against them. It is very easy to put money into Toronto, Vancouver or Montreal, and if you really believe in city states perhaps that is where you should put the money. Maybe this is what the Liberal government is going to do anyway. But if we are interested in the orderly development of this nation, as I see it the money with which the government will assist will have to be provided through the Canada Development Corporation.

• (5:00 p.m.)

If there is to be assistance in respect of orderly development, initiative will have to be shown in other areas such as the resource field which in turn will provide assistance in respect of employment, goods and services. Those of us from northern Ontario have said—I believe this is true of every member from northern Ontario—we do not care whether the benefit goes to Sudbury, Timmins or northern Quebec, because anything that is good for any part of the northern area is good for the area as a whole. If investment is made by private enterprise or by government, the result will be felt generally by all the people in the area. So we are not suggesting that something be undertaken in one specific place or another.

I have suggested that three smelters are absolutely necessary in the area where the base material is produced. They should be located in the resource area, and beside the refineries must be built the secondary industry which is more economic in such an area than anywhere else. The difficulties in respect of manpower and some other fields could be overcome by the influx of capital from government sources and the infusion of private capital that would follow government initiative.

I have been interested in watching the machinations of even some of my colleagues in respect of taking all the money in the area development fund for a year and building a pipeline from Prudhoe Bay down to Edmonton. If we built this pipeline, obviously we would have to look after the problem of ecology and take into consideration the indigent people in the area. As well, we would have to make arrangements for training the Indian and native populations in the area so that they could be employed. But we would eliminate any idea of bringing oil down the west coast which would have the potential of pollution.

I am pleased to learn that the government is thinking of making some kind of arrangement in this respect. We could take all the money we have and put it into one enterprise that would have a terrific secondary industry potential for the whole area. I think the hon. member for

Edmonton West (Mr. Lambert) would be prepared to say that if we should run a 48-inch or a 60-inch line to carry both oil and gas, this would even do something for Edmonton. I am pleased that some of my colleagues now think this might not be such a bad idea and are making a noise in that direction. I am pleased to know that the noises are being made by people who are not the least enamoured of nationalized industry. Those that have opposed nationalization have probably frightened away more people than enough. I say, however, that if the government decided to put money into the Canada Development Corporation for the benefit of industry, and provide equity, that pipeline could be built and much of the disaster that may befall generations to come could be eliminated by an expenditure made in one year.

I do not know whether the government intends to make any changes in respect of the Canada Development Corporation. They talk about their willingness to give $100-odd to the old age pensioner. Really, they will not give it to him but will do a number of things, and if he meets a number of requirements he might get the money. Perhaps it will be the same in respect of the Canada Development Corporation. Perhaps if a number of conditions are met and circumstances develop in a satisfactory way, some of the things suggested may be done. Surely there are enough members in this House who would like to see an agency established which would have sufficient money to provide for the direction of development of our nation, rather than merely helping some of our industries higgledy-piggledy.

Some time ago I was surprised to hear a woman from one of the universities talking about the mid-Canada corridor. She said she had to get her point of view across because the government was going to participate in Rohmer's scheme in respect of the mid-Canada corridor. I was very surprised because I wondered how the government could participate without taking it over. Would they give somebody else the money to do it, and give the land that would be necessary to establish the mid-Canada corridor project to somebody else? How would it be done? I think if members would look at the Canada Development Corporation bill they would see one way in which it could be done in order to provide maximum benefit to the Canadian public.

I do not believe we should have anything less than an agency which would have the ability to provide the wherewithal either on a direct participation basis or totally in the development stage in respect of industries in the resource areas of this nation, for the greatest benefit of the largest number of Canadians. I think this is a serious enough matter that the government should accept the amendment and take back this bill for reconsideration.

The other night the Minister of Energy, Mines and Resources (Mr. Greene) listened to many members from both sides of this House speaking about whether it is worthwhile to investigate and implement methods that would guarantee the retention of Home Oil in Canadian hands. Although the minister expressed surprise, I believe most members would agree that Canadians in general are not so concerned about buying back Canada as in changing the direction in which the future of the country will go. In order to make that change there must be a totally different orientation in the development of our resource areas. This change can come only through large infusions of money from the Canadian public, and this must be done through the Canada Development Corporation if it is to be national in scope and provide the greatest possible benefit to the largest number of Canadians.

• (5:10 p.m.)

Mr. F. J. Bigg (Pembina): Mr. Speaker, for the past 12 years I have recommended something along the lines proposed in the bill. I do not want to join those who say that we should nationalize everything, because that concept is 60 or 70 years out of date. This is the era of the multinational corporation and we have fallen behind in that we have not kept up with our competitors in world trade. All that I hope the CDC will do at present is initiate a new look and to set up a research team of experts, not well-meaning, wishful-thinking people but people who know as much about world trade as do the Japanese, the West Germans or our neighbours to the south. That is leaving out the Russian bloc about which I know very little. These three blocs at least have done their homework, but we have fallen behind.

I cannot see any sense in putting a vast amount of money such as $250 million or ten times that amount into the Canada Development Corporation unless we know the direction in which we are going and unless we have markets in view, because we are after world trade. I think it is putting the cart before the horse to start setting up a company, selling its shares and asking the Canadian taxpayer to underwrite the initial cost unless we have well thought-out plans telling us in which direction we should go. It is almost too late now. The fact is that at the present time we are no longer masters of our own house. Such markets as we have are largely controlled by multinational corporations. At present their headquarters are not in Canada but in one of the three blocs I mentioned—the European bloc, the American bloc or the Japanese-Asiatic bloc.

Unless I miss my guess, the entry of Britain into the Common Market will cut off one more outlet for Canadian goods. Britain has been forced to join one of these international power blocs. That is what the Common Market is—nothing more nor less than the complete integration of customs, trade and manufacturing as well as, unfortunately for Canada, the agricultural industry. All this is in one big basket.

To the south of us there are 200 million people, well organized, in a self-sustaining economy, and the strides they have made in the last 25 years have staggered the western world. It has not been an accident. We cannot blame the Almighty for deserting us in our hour of need. The Japanese also have gone to work. They sent a team of experts to Canada and found out that Canadians by and large love cameras. What did they do? They put competition out of business so far as cameras and camera equipment are concerned. They did the necessary research and now they have the market. Once one has a

market, it is nothing at all to set up a corporation of any size. Inexperienced as I am, if I were given an unlimited market I could find not only the shareholders but the money to finance a corporation, because markets are the lifeblood of trade.

The first thing we should do is find out what Canada has to sell to the world. We are in a good position and always have been so far as raw materials are concerned. That is not our problem. Our problem today is that we have aspired to being one of the foremost manufacturing nations in the world. Considering our population, we have not done badly, but obviously we have not done well enough. Just today I received in my mail two releases stating that before October of this year Chemcell Limited, which hires 1,000 chemical experts in the area of greater Edmonton, will lay off no less than one-third of their personnel.

I do not want to be a Jeremiah, but I hope this is not a tremor before an earthquake and this will be an earthquake for 350 families whose pay will be directly affected. These people will be jobless due to lack of planning over the last 25 years. I am not partisan about this. This is not the time to be throwing stones. Now is the time for an emergency approach, for an all-party approach. Now is the time when I keep my ears open even to those to the far left, to find out what they can offer in the way of an answer. I do not write them off, but I have not heard much of an answer from them yet.

Certainly the answer is not to nationalize all companies in Canada. On the contrary, I think the answer probably is to use the initiative and imagination of which Canadians have always had plenty, to do the homework and to get into the international markets as rapidly as possible. It will not be an accident if we capture new markets or if we retain the ones we have; it will be solid planning. Perhaps the young people of our country do not know us very well and are not aware that our generation accomplished much along the road to affluence which they now enjoy. But we have not done a good selling job to our own people, nor have we tried to involve them with their know-how, their ambition, their imagination, their courage and their youth. We should put them to work, making them what Canadians could very easily be, the greatest salesmen on earth.

At the end of World War II in particular we were foremost in the field of world public relations, and we have blown it. This is not to be personal or partisan, but we have blown it. We have lost our markets and our preferred position in many areas. Instead of laying off a third of our well trained, efficient, capable and hard working Canadians we should be looking for more experts to man more factories, to set up more corporations and, if it is not out of date in this age of piety, to make more money for the Canadian people so that we can afford some of the frills and some of the security about which we boast so highly. Yet we have not so far eliminated poverty in many areas. It will be very sad if the affluence which we have cannot at least be maintained for the future.

Canada Development Corporation

• (5:20 p.m.)

With the unlimited natural resources we have, and most of them undeveloped, surely we can do better than complain when the Americans, who have done their homework, saved their money and invested in a good thing, namely, our Canadian future, are doing such a job of development in Canada. Yet they are called silly names—capitalists and imperialists. The fault, Mr. Speaker, lies with us. I do not think that nationalization of any of our industries is necessary. I agree with government participation. I think it was good when the government developed Trans-Canada Air Lines, now Air Canada. I am looking forward to the day when we sell Air Canada back to the Canadian people, who set it up. We paid for it and we have a right to own it. It is a big project. It cost a lot of money.

After a while, nationally owned corporations become tired and start to lose money. Instead of being the assets they were originally, the new broom sweeping clean, they are a liability. It will be an empty dream to suggest that we create a pool of government taxes and funds and do nothing but buy up defunct corporations. I hope this is not going to be some grandiose scheme to buy out entrepreneurial industries that have failed in world markets, with the beautiful thought that by digging into a pool of tax free money we will be able to shore-up dying industry. That just will not work.

We have to find out what we can sell. Then we have to make those products and get out and sell them. I was greatly heartened a few years ago when we called in our trade commissioners from all over the world and read the riot act to them. I do not know how many of them were fired, but then they took an interest; some planning was done. I believe that out of this we developed the Industrial Bank. We had some idea of the things in which Canada could involve herself. I think it was this positive, outward-looking that set us to work retraining our young people and retraining the older people who were out of jobs.

I have tried to find out what will happen to the 325 families affected by the Chemcell closedown. So far as I know there is no plan to retrain them to fit into the pulp industry. It seems to me we must undertake an emergency operation, call it what you like.

We will need co-operation at the three levels of government. If the government of Alberta gives a charter to set up a pulp industry in the foothills of the Rockies, I do not know why experts from Chemcell should not be sitting around the table with those who are setting up the pulp mill to find out how many of these 325 people can be retrained to fit into that industry. I have had chemical training myself and I do not think it would be too difficult if you were in the formaldehyde business to work in a plant producing sulphuric acid. I hope I am not being too subtle. You need sulphuric acid and strong alkalies in the pulp industry for bleaching the paper and other products.

Surely people who have worked in a Chemcell factory producing formaldehyde should be able to work in the pulp industry. Why wait until October when these people

are on the unemployment rolls? Why not do it now? Don't waste time blaming people because it has not been done in the past. What are we going to do from here on in? What kind of co-operation can we expect from all three levels of government? What kind of co-operation can we expect from this chamber? Let us not waste time throwing stones; instead, let us chip in a bit and build something.

We need full employment in this country. We shall not get it by talking about bigger and better welfare payments. This is just like a snake chewing on its tail; after a while there is no more snake left. To have full employment we must have busy factories, and the only way to have busy factories is to go out and get the markets. We need a great deal more than know-how about producing, than how to get the products to market cheaply. We need more than a transportation policy. We must have a sale at the other end of the line.

There is certainly no use asking the people of Canada to invest in any kind of white elephant. If I set aside some of my hard earned wages and stop wasting my time travelling around the world on holidays, or going south of the line on holidays instead of staying in Canada, if I invest in the future development of Canada I want to know whether I will be protected from unnecessary taxation. If I am encouraged to make what I consider to be an honourable profit in developing the resources of Canada, I should at least expect to be treated the same as people who benefit from tax concessions in this country. I think that the taxpayers of Canada should have an opportunity to write off their losses in the development of the oil industry. An American investing in drilling oil in Alberta can write off any losses he has against his income tax. Of course he can afford to develop our oil when he may be 35 per cent or 40 per cent better off than a Canadian as far as income tax is concerned.

I believe there are a great many Canadians who want to gamble on the future of their country, but you will not get many of them to respond until they have at least equality in the taxation field. I am afraid we have created uneasiness in Canada by suggesting that profit is necessarily bad. I do not agree with that. I believe that thrift has to be rewarded. I believe that most people in Canada want to work. I think most people in Canada will work, but when they are asked to invest they should have as much guarantee as we can give them.

I am not asking for Utopia or a slice of the moon. I am asking the government to guarantee that in the foreseeable future it will not take away the benefits of their thrift and the benefits of their investment in our country. The intricacies of the financial structure of this country have always eluded me somewhat. I do not fully understand the implications of the floating dollar, but I do know that, when we are exporting from our embryonic industries things such as chemicals made in our petrochemical plants in Edmonton it makes it very difficult to keep the plant going if you are afraid that after you have produced $1 million worth of formaldehyde you will have to sell it for 7 per cent less within the next year. This happens.

[Mr. Bigg.]

• (5:30 p.m.)

The floating dollar has seriously hit our petrochemical industry and our pulp industry. You need only look at the stock market to see this. I do not suggest for a minute that the floating dollar is the only factor; nevertheless, it is a contributing factor. When we do the research which I think will be necessary if the Canada Development Corporation is to work, in so far as it will work, we shall need to take cognizance of the broad picture and determine how stable is the money market and what kind of selling market exists for our commodities. The market, of course, is tied very closely to our floating dollar. I think we are gambling. I hope that our financial experts know what they are doing when they take the drastic step of either pegging or unpegging the dollar.

The chemical industry in Canada is worried about this, the pulp industry is worried and all Canada is worried. Our bacon has been saved in other fields because at present we have in asbestos and nickel almost a world monopoly. Our trade in those commodities has in part accounted for our enormous favourable balance of trade. Nevertheless, the small Canadian companies are still going out of business by the hundred.

I hope that the Canada Development Corporation will not only be interested in keeping the large corporations going. I believe by and large that the large, multinational corporations need very little help from us. Some of them are bigger than countries and stronger than governments and need very little help. The Canadian entrepreneur, the man whom the Department of Regional Economic Expansion is encouraging, must be helped to begin new enterprises and to create new jobs. Of course we must decide whether the new companies are valid enterprises. I do not suggest that we set up a dictatorship; nevertheless, if we are to put the Canadian taxpayers' money behind a venture, we ought first to do our homework. We ought not to encourage people to set up box factories when boxes are not needed, or shoe factories that make only for the left foot shoes. It is passing strange that those people who talk most about planning have been deplorably lacking in the ability to make those plans work.

Private enterprise has created 99 per cent of the affluence we now enjoy. Since North America has led the way to affluence, I do not see that we need go to others for leadership. I say, by all means learn how the Japanese did what they have done in the Pacific. Learn what West Germany did in Europe and learn what the Americans did south of our border. Nevertheless, we must develop our own Canadian economy. The problems of those countries are not our problems. America has not our transportation problems. It does not lack a large home market. That economy is self-sustaining. We in Canada must develop the kind of economy which suits us. We must have a well co-ordinated transportation policy. We must try to locate our industries where they will be viable.

I think we could take a page out of the Japanese book. The Japanese government can tell a factory that it will not be in a competitive position. This is where our own government could step in; it could see that research is

properly done and that advice is fairly spread across the board. Government experts can advise. They should be able to go to a private agency and say, "We do not think this is going to work, because..." The government must be encouraged to say, "Before putting in the Canadian taxpayers' money we must be conviced that this will be a viable industry."

This is a big country and we need a flexible policy. I believe in the distribution of wealth. I believe we should do all we can to help people in various areas. I believe that we should try to set up industry where there is no industry. On the other hand, I think we would be foolish if we tried to put the steel industry of Hamilton on Baffin Island. I would much rather see a seaway built, as was done, with the consequence that ships could sail up the St. Lawrence and up to Hamilton and transport iron ore from Baffin Island, northern Quebec, northern Ontario or from wherever it could be found, cheaply and efficiently, and also transport steel to places where it can best be used.

Let us see what the Japanese have done with Alberta coal. It has been in Alberta for a long time. The Japanese did the research, now they are shipping 100 million tons of coal to Japan. The Japanese are in a unique position in Asia. At present, Asia is theirs. Can we compete? I think we can. We will not do it by wishful thinking and by returning to nineteenth century nationalism. We will not do it by carrying on the class war. That has been won; in Canada there are no classes; nobody in Canada has a monopoly on profits. The unemployed in Quebec, New Brunswick or Alberta can still go to work if they are willing to adopt, willing to reclassify and to retrain. I am only begging that we do all we can to make this easy for them. We must set up more national trade schools. we have done this in the past, but not enough of it. Also, we ought to anticipate some of the problems that may arise. We ought to go to the chemical industry and to the pulp industry with our experts and find out their problems. We need more communication.

Some years ago, when Canada's trade was slumping, I made a suggestion which I still think is valid. How many of us know where the products we use are made. One thing we could do right now is buy Canadian. It would be a good idea if our products carried a recognizable stamp. It could be a red maple leaf, if you think that would not desecrate our flag, or a beaver.

An hon. Member: A red one.

Mr. Bigg: We could stamp on the product, in letters the size of which could be legislated and would vary with the size of the containers, if you like, the quantity of Canadian labour, Canadian raw material, etc., that had gone into the product. We might begin with "30 per cent Canadian made" and grade the scale right up to "100 per cent Canadian made". When we reach 100 per cent, let us have a gold maple leaf or a gold beaver, because that would show the product was 100 per cent Canadian raw materials, labour and expertise. This would not shock the Japanese; people already know what is made in Japan.

Canada Development Corporation

• (5:40 p.m.)

We can do a great deal to find out what Canadians want and need. I have mentioned the automobile industry. What about a bumper that will withstand the jolts we receive from the heavy traffic on our roads? I do not care whether the Asians, including the Japanese, have one or not. We should do research on what we need.

An hon. Member: Why don't they fill in the potholes?

Mr. Bigg: Indeed. Our unemployment is at one of the highest rates in modern times. If we carried out proper research on pollution, we could kill two birds with one stone. By replanting our forests we would also be cleaning our air. I suggest that many young people would enjoy replanting forests during the summer. While we are at it, we might as well plant hardwood trees. What initiative are we taking with regard to our water problems? A question was recently asked in this House about whether the government was planning or helping to build a pipeline from Prudhoe Bay. The answer was that the government had not been asked. The government must start taking the initiative rather than waiting to be asked. The government should have investigated the matter of Prudhoe Bay as soon as the news was released. When I heard the news, I stood in my place and said that we should get on with the pipeline now. This is still my thinking. Those who do not agree say that we must think about the ecology of the north. That is pretty well balanced. A pipeline would be far less dangerous to the north than a supertanker sinking in the Arctic.

Our chosen leaders should not hide behind the excuse "Nobody asked me". As I understand it, Members of Parliament are to take the flag and say, "Follow me". We should not wait to be asked what we are going to do about a pipeline, planning or unemployment. We must not wait for an earthquake or a flood before we act. Noah built an ark. When it started to rain, he was ready. We know there will be slumps, periods of unemployment and automation which will result in the loss of jobs for many people. We must be ready for this. It is not good enough to sit around for three years and then when a problem arises say we are sorry but we do not have any plans. If we act in this manner, it will be a sorry spectacle.

Canadians are tired of us. They are talking about a new method of running Canadian affairs. Have we worn out the Parliamentary system? Is it no longer capable of accepting the challenge of leadership? Canadians want leadership, not foolish and half-hearted moves. In fact, sometimes they are broken-hearted moves. Why should we not forge ahead? If we are not experts, and few of us are, we should get a few dollar men in here. There are people who know how to run General Motors; they might be pleased to assist. There are talented men in this chamber who are not being paid what they are worth. There may be men in industry who would be willing to donate some of their time. C. D. Howe donated his considerable talents so that we were able to reach the stage we did at the end of World War II. There is nothing partisan about that, coming from a Tory.

I think we are failing when we do not ask industry to do something about our high unemployment rate. If we believe in planning, let's do some planning. As I stated at the beginning of my remarks, it is not necessary to nationalize everything; however, it is necessary to plan. It is certainly necessary to plan if we are going to ask Canadian taxpayers to underwrite any of these segments of industry. They have a right to know why. If it is a gamble, they have a right to know. If we do not know what is going to happen, we must be honest enough to tell them. If they are to be asked to invest $1,000 a year in the Canada Development Corporation, they must have assurance from the Minister of Finance (Mr. Benson) that he will not take it all back through some fancy capital gains tax. If that is the case, they may as well spend their money in Europe or the Caribbean.

I would like to invest in Canada's future along the lines of the CDC. The public leaders should show the Canadian people that they are going to be masters in their own house. I do not think it is necessary to expropriate anyone who has invested an honest dollar in this country. We need know-how. We must build up our stocks, work as a nation and be thrifty as we were in the past. I have drawn up a timetable. I do not know how accurate it is, but it can be a target. In round figures, Americans own 75 per cent of all Canadian industry at present. If we work hard, by 1976 this figure could be 70-30. By 1981 it could be 65-35. I am not going to read the whole list. For every five years we could reverse the trend by 5 per cent. According to my figures, by the year 1991 the ratio would be 50-50 and by the year 2000, 60-40. This cannot be done overnight. We cannot expropriate our blood cousins who had much more faith, initiative and more sense to gamble than ourselves. However, we can do it if we want.

At the present time we have not developed more than 10 per cent of our potential in Canada. In the next century the world could be ours, not in an imperialistic sense but by the fact we would be masters of our own house. If we are able to develop the wealth of Canada properly and methodically and participate in that development ourselves, in 25 years we could be so wealthy that we would have to give away a good deal of that wealth for our own good.

• (5:50 p.m.)

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, a few minutes ago the hon. member for Timiskaming (Mr. Peters) told us that he and his party were not able to support this legislation, and from this premise he reached the conclusion that the bill was inadequate. I would remind him that from a premise of that kind there are at least two possible conclusions. The very fact that Bill C-219 is being belaboured from the right by speakers such as the hon. member for Pembina (Mr. Bigg) and from the left by speakers of the New Democratic Party suggests that the government has steered a satisfactory middle course between excessive state control and the absence of adequate direction.

[Mr. Bigg.]

The hon. member for Timiskaming, and this is a good example of his party's analysis of the bill, said the measure makes no provision to assist small companies. He probably had in mind clause 6(2)(b) which provides that the corporation shall invest in the shares of corporations in which the real value of the shareholders' equity after investment by the company will be, or is likely to become, $1 million or more.

Mr. Speaker, the purpose of this power is not to assist small companies or, indeed, to assist large companies. It is not to assist companies, as such, at all. The purpose of the CDC, as stated at the beginning of the bill, is quite clear. It is to establish a corporation which will help develop and maintain strong Canadian-controlled and managed corporations in the private sector of the economy. That is the first purpose. The second is to give Canadians greater opportunities to invest and participate in the economic development of Canada. In investing in a company, the CDC will be doing so for the purpose of obtaining a much larger economic benefit. This, it seems, is a purpose which has not been understood by some hon. members opposite.

In fact, hon. members opposite, especially those in the New Democratic Party, have been ambivalent in their expressions of view on the question of profit. Sometimes they take the view that the whole scheme is wrong because it involves the profit motive. At other times they acknowledge, as did the hon. member for Waterloo (Mr. Saltsman), that the profit motive is not bad in itself and that there must be some profit orientation here.

It would seem the best way to look at this is to ask whether the profit criterion is to be taken as short-term or long-term profit. If this corporation were to be interested in grasping at every short-term benefit which came along, it would obviously not be fulfilling the larger purpose which the government and, I hope, Parliament will entrust to it. But if the corporation takes a long-range view of profitability, it will not only achieve the protection of the money invested in it but it will achieve the much broader purpose of making a major contribution to the development of the economy within the hands of Canadians.

I should like to refer briefly to the comments made yesterday by the hon. member for Selkirk (Mr. Rowland). He said the Minister of Finance (Mr. Benson) was presenting us with a bill which would create a private corporation completely beyond the influence of the government and motivated solely by the desire to maximize profits. It is very easy to win a battle if you set up straw men to attack. The fact is, the purpose of the bill is not that at all, nor is that the kind of entity which the legislation establishes.

Initially the government would be the sole shareholder and would obviously possess as much control as it wished to exercise over the affairs of the corporation through its power to appoint directors. Even if it were reduced subsequently to its 10 per cent holding, as envisioned in the legislation as a possibility, it would still be in a position to vote its full shares in the corporation rather

than to appoint the limit of four directors to which hon. members opposite referred. This is provided for in clause 40(1) as follows:

> The Minister of Finance may . . . annually appoint not more than four members of the board of directors in lieu of voting the shares held by Her Majesty in right of Canada—

The wording of this clause would suggest that this is to be a more exceptional power and that normally the government would exercise its right to vote its full shares. Then, of course, if the board failed to work in the way anticipated, the power would always remain with this House to amend the legislation to achieve whatever results were considered necessary.

I trust, however, that action of this kind will never be needed and that provision has been made for the proper degree of direction, the introduction of the correct degree of national purpose in the operation of this new vehicle, making it unnecessary for the government to take extraordinary measures.

This does raise an important point, nevertheless. I should like to endorse the comments made by my hon. friend from Etobicoke (Mr. Gillespie) and by my hon. friend from Scarborough East (Mr. O'Connell) that this legislation merely provides a framework—the policy has still to be worked out and established. For example, it is necessary to establish a science policy; I trust any effort made in this direction will be considerably aided by the report of the Science Committee of the other place which we expect to receive in the next few months.

We need to work out and establish a policy concerning foreign ownership; such a policy is now in gestation within the government and we trust that it will soon be presented to the House for comment. We need, as my hon. friend from Scarborough East put it, to develop an over-all industrial policy. It is only in this context that the legislation before us becomes fully meaningful, because it is only in this context that the board of directors of the new corporation and, indeed, the government itself will be able to achieve the national purposes which we hope for in general but which have yet to be specified in particular.

May I call it six o'clock?

The Acting Speaker (Mr. Richard): Order. As it is now six o'clock, the House will adjourn until 2 p.m. tomorrow. As I wish hon. members a safe journey home, may I suggest to them that they might consider whether the CDC ought to take over the removal and use of our snow, which is one of the more plentiful resources of Canada at this time.

Some hon. Members: Hear, hear!

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 25, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

GRAIN

TABLING OF ANNOUNCEMENT RESPECTING WHEAT GRADES EFFECTIVE AUGUST 1, 1971

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I would like to table under Standing Order 41(2) two copies, in French and English, of an announcement respecting the Canada Grain Act, particularly concerning grades that will be applicable in the new year.

BARLEY—ANNOUNCEMENT OF INCREASE IN INITIAL PAYMENT FOR CURRENT CROP YEAR

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to inform the House of a 10 cent increase in the initial payment for barley in the current crop year to $1.01, basis No. 3 Canada Western 6 Row in store at Thunder Bay. The increase is effective March 1 and an adjustment payment of 10 cents will be paid on deliveries in the period August 1, 1970 to February 28, 1971.

• (2:10 p.m.)

The market demand for barley has been strong and selling prices have risen sharply in recent months. The Canadian Wheat Board believes that additional export sales for May, June and July delivery could be made if the board could be certain that producers would deliver the extra barley in time to meet any new sales commitments that are undertaken. To permit the Wheat Board to take advantage of current barley prices and sales opportunities it is essential that farmers deliver barley as soon as possible during this crop year.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my first words must be to thank the minister for heeding the comments I made yesterday with regard to tabling announcements in the House. I thank him for it. However, in dealing with the increase of 10 cents in the initial price for barley I must say it would appear that the amount of barley available to the Wheat Board is such that the board may not in fact be taking advantage of the potential sales. This points up one very glaring fact. Last year the government felt that certain acreages should be taken out of production and as a result asked that the land be left in summerfallow. It is obvious that the government made a mistake in not encouraging barley production at that time.

Mr. Lang: It did.

Mr. Korchinski: The minister suggests the government did so, but the farmers obviously are withholding barley because of their own requirements and because of the price they are receiving. The very fact that in the middle of the season the Wheat Board has taken the step of increasing the initial price indicates that it is not in a position to guarantee delivery of this grain. This is a sad state to find ourselves in. In one year we tell the farmers not to deliver and then, six months after the new crop year has begun, we find we have to use inducements so the farmers will deliver the particular type of grain for which there is a market.

While it is encouraging that a payment is to be made which will be helpful in so far as the income position is concerned, I understand the Wheat Board has not been in a position to make sales on the future market. I understand that the Wheat Board has also announced new quota regulations. That, of course, is another subject.

There are many weaknesses in the proposal which has been presented. One has to do with the amount of grain that will be delivered or the size of the quotas that will be available for the delivery of this grain. I do not wish to go into that subject in depth. I shall only say that the government is in an awkward position in trying to explain why it asked for a reduction in production and now tells the farmers to deliver everything they have.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I think the minister's action is very timely. One could have forecast that action of this type would have to be taken if the Wheat Board hoped to get into position the barley it needed since otherwise the producers simply would not deliver it in sufficient quantities. I believe it also reflects a good, aggressive selling program on the part of the Wheat Board in the last year. It is fortunate for the farmers that the Board did undertake such a program. It is fortunate also, as the previous speaker stated, that we had some good rains last year and farmers planted more barley than might have been expected.

I suggest that the minister might consider there are many farmers who just do not have a quota base in their books for the delivery of barley. The Wheat Board should be considering how it can get delivery of barley in the hands of farmers who did not have barley last year.

I suggest that the minister might also take a pretty close look at the block system. I have had two reports in the last week indicating that grain was called forward, permits were issued and the grain was put in position but the cars did not appear. Whether this is chronic or not I have no way of knowing. But if the minister wants

barley in position, as I am sure he does, I suggest that he also take a good hard look at what is happening at individual points. I may say that I passed along the information I received to the Wheat Board and asked them to check it out. I suggest to the minister that he keep a pretty close eye on this situation.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am very pleased that western barley producers will receive a higher initial payment as of March 1, 1971, with retroactive effect to August 1, 1970, as the minister said in his statement.

This shows that if a particular problem is examined thoroughly it is realized at times that retroactivity is justified. This is one of the reasons why I asked the Minister of Agriculture (Mr. Olson) very recently to consider the possibility of making price increases for powdered skimmed milk and Cheddar cheese retroactive.

I am happy to see that the export market is becoming stronger so that barley producers may continue to gain by it. I hope that the difference in price will benefit farmers mostly and not only middle men.

The minister also stated that it is essential that farmers make the required arrangements to deliver their barley as soon as possible. I remember that, last year and during the preceding winter, there were some fairly heated debates in the House on the arrangement from which grain producers were to benefit thanks to the CN or the CP. In short, this indicates, I believe, that delivery means are to be dependent on the possibilities for making cars available to producers.

Further, there is a shortage of grain in Eastern Canada. We receive many complaints that mills and producers cannot rely on a normal supply and that prices are rising steeply thus contributing to an increase in the production costs of eggs, broilers, pork-meat, etc.

I would like to ask the Minister of Agriculture to consider seriously this problem and, while granting to the western farmer the advantage to which they are rightly entitled, to take some steps, in order to avoid penalizing too harshly the eastern producers as far as prices are concerned, so that they may be in a position to compete. It would be advisable, in my opinion, not only for eastern or western farmers but also for all Canadians to avoid any cause of disagreement in the country.

* * *

[*English*]

FISHERIES

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS —REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to move a motion pursuant to Standing Order 43 on a matter of urgent and pressing necessity. That matter is the criminal behaviour of certain fishing trawlers of various foreign states within the territorial waters of Canada in areas off the south and west coasts of Newfoundland. These trawlers are carelessly or deliberately, certainly contemptuously, running through and destroying the fishing gear of Canadian inshore fishermen. When these Canadian fishermen protest, the foreign captains display the same linguistic ability as the Prime Minister and tell them to fuddle-duddle.

• (2:20 p.m.)

Mr. Speaker: Order, please. The hon. member may have a very good case to submit to the House for the consideration of hon. members under Standing Order 43, but I suggest that he does not help his case when he goes beyond the very limited terms of Standing Order 43. If the hon. member has a motion, he should indicate what it is.

Mr. Carter: I was merely pointing out the seriousness of the problem and the indifference shown by the people concerned. Under the Criminal Code these actions are classed as vandalism, wilful destruction of property, and incitement to riot. Under the War Measures Act they would constitute real or apprehended invasion. If these actions occurred ashore, the government would muster the troops, parade the RCMP—

Mr. Speaker: Order, please. If the hon. member has a motion he should put it, otherwise I will not allow him to do so. We will go on with the next order of business.

Mr. Carter: I therefore move seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

> That this House urges the government and, in particular, the Minister of Justice, the Minister of National Defence, the Minister of Fisheries and Forestry, the Secretary of State for External Affairs, and the Solicitor General, to seize those foreign vessels that are committing criminal acts in Canadian waters and to punish the masters and crews, and
>
> That the Fisheries Committee of this House be directed to make a full study of the adequacy of Canada's maritime patrol, the feasibility of a beefed-up integrated fisheries, coast guard and naval force, and the whole question of traditional fishing rights.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for St. John's West. This motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

PUBLIC ACCOUNTS

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. A. D. Hales (Wellington) moved that the fourth report of the Standing Committee on Public Accounts,

presented to the House on Monday, February 22, 1971, be concurred in.

Motion agreed to.

ORAL QUESTION PERIOD

HOUSE OF COMMONS

WELCOME TO MEMBER FOR VANCOUVER EAST ON RETURN FOLLOWING ILLNESS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Justice who I hope will be in the House later on. While on my feet, I might express my pleasure at seeing back in the House today a member who has been absent for some time because of illness, the hon. member for Vancouver East.

Some hon. Members: Hear, hear!

* * *

NATIONAL SECURITY

REVOCATION OF PUBLIC ORDER (TEMPORARY MEASURES) ACT PRIOR TO EXPIRY—SUBSTITUTE LEGISLATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Prime Minister. Does the government intend to revoke the Public Order (Temporary Measures) Act, as it has the power to do, prior to its expiry on April 30?

Right Hon. P. E. Trudeau (Prime Minister): That intention has not been expressed, Mr. Speaker. I could link this question to one which was asked the other day as to whether we would bring an Act into the House before that expiry date. My answer was that the government had committed itself to proceed in the House in some way before April 30. Beyond that, there is nothing I can add today.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister if the government intends to bring in legislation prior to April 30, and can he assure the House that any such legislation will not be as repressive and reprehensible as the present statute?

AMENDMENT OF CRIMINAL CODE TO MAKE PURCHASE OF FIRE ARMS MORE DIFFICULT

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question for the Prime Minister. In view of recent activities of the FLQ and the increased sales of M-1 rifles in Montreal, will the Prime Minister inform

the House whether the government is planning any amendments to the Criminal Code to make it more difficult to purchase fire arms?

Right Hon. P. E. Trudeau (Prime Minister): I believe the Minister of Justice has dealt with questions like this in the past. I would refer the question to him.

[*Translation*]

ALLEGED REQUEST BY QUEBEC GOVERNMENT FOR REPLACEMENT OF PUBLIC ORDER (TEMPORARY MEASURES) ACT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

Has the Quebec government asked the Prime Minister of Canada to introduce before April 30 new legislation to replace the present one?

Right Hon. P. E. Trudeau (Prime Minister): I could not say whether this is a request, Mr. Speaker, but in the course of discussions which took place between the Quebec government and ours, a few months ago, we informed each other of what the next steps should be. I would not refer to an entente, but the subject was discussed by both sides, and there was no objection, from either party, regarding steps to be taken.

Mr. La Salle: Mr. Speaker, I have a supplementary question.

I would like to ask the Prime Minister whether he would clearly state if the premier of Quebec would like to see the existing legislation revoked, and perhaps a new one introduced?

Mr. Trudeau: Mr. Speaker, once again I do not wish to speak on behalf of Quebec's premier. He has not expressed the wish to have the legislation revoked.

As far as future measures are concerned, it will behoove the federal government and the Canadian Parliament to discharge their responsibilities, when the federal government introduces his proposals, and then it will not be a question affecting only Quebec or any other province, but the country as a whole.

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. André Fortin (Lobinière): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister.

In his discussions with the Prime Minister of Quebec, did the province ask officially not to pay for the maintenance of armed forces during the October crisis?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I dealt with this matter twice in the last few days

and I have nothing further to say at the moment. Discussions were initiated between the two governments and the parties concerned have reached no final decision.

[*English*]

Mr. G. W. Baldwin (Peace River): I should like to direct a question to the Minister of National Defence. Having regard to the fact that both the Prime Minister and the Prime Minister of Quebec have indicated that troops went into Quebec at the request of the Quebec government, and bearing in mind the provisions of part I of the National Defence Act, has any attempt been made under the War Measures Act or other authority by the government to vary the incidence of the total cost falling upon the province of Quebec, or will the government introduce legislation to vary the provisions of the National Defence Act to that effect?

Hon. Donald S. Macdonald (Minister of National Defence): The hon. member is correct in saying this involves the National Defence Act rather than the War Measures Act. It will be my intention to seek on behalf of the Department of National Defence reimbursement of out of pocket expenses incurred by participating in the Quebec events from the Consolidated Revenue Fund. Then it will be for the government to discuss with the province of Quebec the question of its share of the cost.

Mr. Baldwin: I was about to address a question to the Minister of Justice but he is not here. The Prime Minister would probably only befuddle the issue—

Some hon. Members: Oh, oh!

Mr. Trudeau: Fuddle-duddle!

Mr. Hees: There he goes again.

Some hon. Members: Oh, oh!

Mr. Baldwin: I should like to ask the Acting Minister of Justice whether he has been requested to obtain an opinion from the law officers of the Crown as to whether or not there can be any change in the law which now provides that the full cost will fall upon the province of Quebec?

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): This is a very important question and one which I shall draw to the attention of the minister.

* * *

[*Translation*]

LABOUR CONDITIONS

LAY-OFF OF EMPLOYEES BY CHEMCELL LIMITED—REQUEST BY ALBERTA GOVERNMENT FOR ASSISTANCE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to ask a question to the hon. Minister of Regional Economic Expansion.

[Mr. Trudeau.]

Since Chemcell Limited has announced the closing of its chemical plants in Edmonton and Two Hills, Alberta, would the minister say whether the government is considering the establishment of one or more special programs to alleviate the situation in this province? Would he also say whether the government of Canada has received a request from the Province of Alberta or whether there have been any discussions with this government in order to deal with the loss of jobs by all the specialists working for this company?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, as far as I know, there have been no contacts between my department and the government of Alberta with respect to those closings.

As to the employees affected by them, they will benefit from the regular programs of the department and, more important, from those of the Department of Manpower and Immigration. I know of no other.

Mr. Lambert (Edmonton West): Mr. Speaker, I wonder whether the hon. minister could indicate how retraining people who have doctorates in chemistry will solve the problem.

* * *

[*English*]

HEALTH

ASSISTANCE TO MEDICAL PROFESSION IN CONTROLLING MEMBERS ALLEGEDLY EXPLOITING MEDICARE PROGRAMS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the concern expressed by the Canadian Medical Association as to the inability of the profession to discipline or to control individual members who are exploiting medicare programs, can the minister say whether the government will assist the profession in this important matter?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, that is a very valid observation and I think the government would be prepared to consider it. The hon. member may know that about a year and a half ago we did meet with the Canadian Medical Association in an endeavour to approach the profession throughout Canada to limit fee increases, and that was successful for a short time. Perhaps this new effort will have a similar effect; I hope so. I would also remind the hon. member that the provinces have a good deal to do with this matter in terms of setting fee structures.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the statement on behalf of the Canadian Medical Association that it would be helpful to have full information concerning fees collected by doctors on a national basis, will the government consider doing what it can to see that this information is provided?

Mr. Munro: I am sorry, Mr. Speaker, but I did not hear the concluding words of the hon. member's question.

Mr. Knowles (Winnipeg North Centre): I asked whether the government will do what it can to see to it that information regarding fees charged by doctors on a national basis is made available to the profession so that it can do the job of disciplining its own members.

Mr. Munro: Mr. Speaker, I would be pleased to look into the matter.

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[*Translation*]

MANPOWER

QUEBEC—RETRAINING—ALLEGED SHORTAGE OF TEXTBOOKS AND EQUIPMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question I want to direct to the Minister of Manpower and Immigration.

Considering that complaints have been filed to the effect that a certain number of schools offering retraining in Quebec are short of textbooks and equipment, and since the federal government is helping pay the expenses involved in offering these courses, would the minister tell us whether it was stipulated at the time the agreements were signed with the province of Quebec that schools providing the courses would supply students with the required textbooks and equipment so they could reap full benefit from these courses?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think it is clear in all our relationships with the provinces that when we place students into training it is expected that the training will be of adequate quality. I include all aspects of training, whether it be equipment, books or what have you. If the hon. member has a specific instance that he knows of where there seems to be some failure in this regard, I would be very pleased if he would bring it to my attention so that I can check into the matter.

[*Translation*]

SUGGESTED EXTENSION OF FARM ADMINISTRATION COURSES TO WIVES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question.

I should like to ask the minister whether he has received, from the Department of Education of Quebec, a request to the effect that, in the next adult training courses program, farmers' wives be allowed to take farm management courses?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am not aware whether such a request has come from the province of Quebec particularly, but I should like to inform hon. members that the training courses that are available in different provinces in regard to business management in farming operations are indeed available to wives as well as to husbands. However, it is the policy of the department not to offer training in the first instance to the wife and husband of the same family, on the theory that it is better to have one member of as many households as possible take this training.

[*Translation*]

RETRAINING—CONTROL OF TEXTBOOKS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the minister and ask him whether, in view of the large subsidies granted by the federal government for those training courses, he assumes a degree of control over the textbooks used?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker, the quality of these basic courses is determined by the provincial institutions, or by the institutions which are chosen by the provinces for the purpose. Of course, the manpower offices do have a function in ascertaining that training generally is of the kind that is desired, but it does not go beyond that.

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IMMIGRATION

ACTION TO DEAL WITH BACKLOG OF APPEALS AND APPLICATIONS FOR LANDED STATUS

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration a question. In view of the huge backlog of immigration appeals and applications for landed immigrant status, when will the minister remedy this intolerable situation and inform the House what he has decided to do with some of the unpalatable recommendations in the Sedgwick report?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I really have nothing to add to previous answers to this question. We are working on particular solutions to this obviously very serious problem, and I hope that before long this will result in legislation being placed before the House.

PERMISSION FOR PEOPLE TO WORK WHILE AWAITING DISPOSITION OF APPLICATIONS OR APPEALS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in light of the very long delays in processing applications and appeals, is the government giving consideration to permitting people who are waiting long periods of time to work until their applications are approved or rejected?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it is fairly standard practice on the part of the department to give a work permit to persons who are past the special inquiry stage and,

having failed at that stage, are awaiting an appeal. It may be an unsatisfactory result in some ways, but we have felt it essential to give this general permission rather than to leave these people without the opportunity to work.

Mr. Orlikow: Mr. Speaker, in view of the fact that there are people who have not reached that stage and have been waiting for as long as 12 months before their applications are considered and are unable to work during this period, would the government give consideration to permitting them to work until their applications are dealt with?

Mr. Lang: Mr. Speaker, I think cases where the waiting period at that stage is anything like the length the hon. member suggests are very rare. I think it may remain the best policy to look at these cases individually rather than have a blanket rule.

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NATIONAL SECURITY

DRAFTING OF PERMANENT PUBLIC ORDER BILL—DISCUSSIONS WITH QUEBEC

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Justice whether any instructions have been given for the drafting or preparation of a permanent public order bill, and whether such a bill is being discussed by the minister or his officials with the government or officials of the province of Quebec, as the Prime Minister of that province has said?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I want to apologize to the Leader of the Opposition for not being here at the opening of the House. The Department of Justice is considering what parliamentary action should be taken, as has already been stated to the House by the Prime Minister. I have had no discussions with the province of Quebec relating to such legislation or relating to whether or not there should be legislation.

Mr. Stanfield: Mr. Speaker, I am not sure that I heard the minister. Did he say that he had or had not had such discussions?

Mr. Turner (Ottawa-Carleton): I have not.

Mr. Stanfield: Then has the Minister of Justice any explanation to give as to why the Prime Minister of Quebec would say that such discussions have taken place?

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands on a supplementary.

QUEBEC—COMPENSATION FOR THOSE ARRESTED AND RELEASED WITHOUT CHARGE—RETURN OF FINGERPRINTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Justice whether he has received any reply to his letter to the Minister of Justice of Quebec regarding compensation for those persons who were arrested and then released, whether any compensation is going to be paid for their loss of employment, and whether the federal government is going to contribute to such compensation?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I think what I said to the House was that I was going to write the Attorney General of Quebec about the problem of returning fingerprints. I did not say I was going to be in written communication with him about the problem of compensation. What I did say and report to the House was that Mr. Choquette had said that questions of compensation were being referred to the protecteur du peuple or ombudsman in Quebec, and that the Attorney General of Quebec would consider what to do after he had received the recommendation of the ombudsman in individual cases.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. Were any of the persons who were arrested but not charged fingerprinted and, if so, under what authority were they fingerprinted since no charge was laid against them?

Mr. Turner (Ottawa-Carleton): I have already stated to the House, Mr. Speaker, that under the Identification of Criminals Act, as we interpret it, fingerprints can only be taken if a person has been charged. When I was Acting Solicitor General I advised the RCMP to return fingerprints to those police forces from which they had been received, and that has been done. That is all we can do in so far as the federal jurisdiction is concerned. In reply to the hon. member for Fundy-Royal, I said I would communicate with the Attorney General of Quebec to advise him officially of the action we had taken and of the opinion of Parliament. To date I have not received a reply to that letter.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On what authority were they taken in the first place?

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EXTERNAL AFFAIRS

CONCLUSION OF AGREEMENT WITH WEST GERMANY ON EXCHANGE OF PENSION BENEFITS

Mr. Keith Hymmen (Kitchener): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Can he advise the House when he anticipates that negotiations might be completed and an agreement signed between the Canadian government and the government of West Germany regarding the exchange of pension benefits?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. It is expected that the German delegation will come to Canada in March and that the whole matter will be settled and signed by the end of that month.

FINANCE

DISCONTINUANCE OF SALE OF PRESENT CANADA SAVINGS BOND SERIES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is it the intention of the government in the near future to discontinue further sales of the present issue of Canada savings bonds?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I withdrew these sales yesterday, or announced the withdrawal of sales effective a week hence.

Mr. MacLean: Mr. Speaker, will there be any replacement of this series of savings bonds with another series at a more realistic interest rate, or will there be no savings bonds available to the public for a period of time?

Mr. Benson: Mr. Speaker, it is not the present intention of the government to introduce another issue until the normal issue which will come out in November.

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FISHERIES

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS—REQUEST FOR DEFENCE AIRCRAFT AND SHIPS TO PROTECT CANADIAN RIGHTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has he received requests for Canadian forces aircraft or ships to do surveillance work on Canada's east coast, specifically the coast of Newfoundland, to enforce our fishing regulations and to protect the rights of Canadian nationals whose gear is being destroyed as a result of infringements by foreign vessels?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I have already had informal requests in this regard from, among other people, my colleague the Minister of Transport.

Mr. McGrath: Has the minister acted upon these requests and, if so, are Canadian forces aircraft and ships presently conducting surveillance in the area to see that no further infringements occur?

Mr. Macdonald (Rosedale): Mr. Speaker, aircraft are conducting surveillance of our maritime approaches at all times. With regard to the possible deployment of surface units, I would like to make an announcement in due course.

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS—REPRESENTATIONS TO GOVERNMENTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a further supplementary to the Secretary of State

for External Affairs. In view of the infringement of Canadian rights off the Atlantic coast of Canada, what representations has he made to the governments of the nationals concerned pointing out to them that they are infringing upon Canadian rights in the Atlantic coast area?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am not quite sure about the assumptions underlying this question. It may be that the hon. member is quite right. I have been discussing the general situation with the Minister of Fisheries and Forestry and we think we will take measures that will be effective.

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REGIONAL ECONOMIC EXPANSION

PROPOSED GRANT FOR PULP MILL IN MEADOW LAKE AREA

Mr. John Burton (Regina East): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of statements by the Premier of Saskatchewan that a regional incentive grant will be made for a pulpmill at Meadow Lake, and in view of other reports that no commitment has been made, can he indicate whether he has made a commitment on this matter and, if so, what is the nature of that commitment?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I made no commitment, Mr. Speaker.

Mr. Burton: Mr. Speaker, will the minister assure the House that grants for pulpmills, whether this one or others, will not be made until assurances about pollution control standards have been given by the Department of Fisheries and Forestry, which it is anticipated will soon become the department of environment?

Mr. Marchand (Langelier): I can give this assurance, Mr. Speaker.

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[*Translation*]

AGRICULTURE

GRASSLAND INCENTIVE PROGRAM—REQUEST FOR GRANTS TO EASTERN FARMERS TO GROW GRAIN

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to ask the Minister of Agriculture a question.

As grants will be given to allow Prairie farmers to convert their cornfields into grassland, could the Minister of Agriculture tell us whether he has similar grants considered for Eastern Canada farmers who could convert their grasslands into cornfields?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker.

Inquiries of the Ministry

ALLEGED TRAFFICKING IN INDUSTRIAL MILK QUOTAS—REQUEST FOR INFORMATION

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Agriculture which is based on a written question concerning trafficking in industrial milk quotas in this country. It was placed on the order paper some time ago but the minister has refused to provide this information. Will he undertake to provide the information I asked for at that time concerning the trafficking in industrial milk quotas? Will he produce the information I requested?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, in the question asked by the hon. member he wanted a list of all the people within the electronic files where transfers of quotas had taken place. This would require something like 700 hours of work, and I am not willing to undertake that job at that cost.

Mr. Nesbitt: That is not the reason the minister gave at the time. He keeps giving different reasons. I would suggest that at ten o'clock—

Mr. Speaker: Order, please. I wonder whether the hon. member would ask his supplementary question.

Mr. Nesbitt: Mr. Speaker, I would request that Your Honour put this on the late show at ten o'clock.

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CANADA DEVELOPMENT CORPORATION

FILLING OF POSITION OF PRESIDENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Minister of Finance. Could he advise the House of the success he has made in persuading someone to accept the presidency of the Canada Development Corporation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, it is not a matter of persuading people. We cannot appoint a head of a corporation that has not yet been approved by Parliament.

Mr. Hees: Mr. Speaker, some time ago the minister said he expected to be able to make an announcement soon. I ask him whether his confidence in this regard is due to the fact that he has given serious consideration to following the example set by his former colleague, the minister—

Mr. Speaker: Order, please. The hon. member's question relates to a bill that is now before the House and is not in order.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please.

[*Later:*]

Mr. Speaker: I gather the hon. member for Prince Edward-Hastings wishes to rephrase his supplementary question.

[Mr. Olson.]

Mr. Hees: Yes, Mr. Speaker. I will make the question very simple. Is the minister holding off the making of this announcement because he is giving serious consideration to following the example of his former colleague and appointing himself?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, is the minister going to—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would ask for the hon. member's co-operation. He has asked a question which I think the minister should not be allowed to answer. Perhaps the hon. member might ask this question when we resume consideration of the bill to which this matter has reference.

Mr. Hees: I would ask him whether he is considering appointing himself as president of the corporation—

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Benson: Mr. Speaker—

Mr. Speaker: Is the minister rising on a question of privilege? If so, I hope it will be different from the one raised by the hon. member for Prince Edward-Hastings. As all hon. members know, only a limited period of time is available to hon. members during the question period, and if we spend it on questions of privilege, legitimate or otherwise, hon. members who have legitimate questions to ask will be penalized. I really think we should go on to the next question.

Mr. Benson: I agree, Mr. Speaker.

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[*Translation*]

INDUSTRY

IMPORTATION OF BAUXITE FROM GUYANA BY ALCAN

Mr. Paul Langlois (Chicoutimi): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

In view of the announcement by the Prime Minister of Guyana of the nationalization of bauxite industries, can the minister assure the Canadian people, and particularly those employed in the aluminum industry of the Saguenay-Lake-St. John region, that the supply of bauxite from Guyana will be maintained at its present level for Arvida plants?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, Alcan have assured us that their operations in Canada would not be affected by recent developments in Guyana, particularly concerning supplies of raw materials.

[*English*]

YOUTH

ALLEGED HARASSMENT OF TRANSIENTS BY POLICE AND OTHER AUTHORITIES

Mr. P. B. Rynard (Simcoe North): I would like to address my question to the Minister of National Health and Welfare. The minister, in his program on drugs, approaches the problem by treatment and research. However, a national health and welfare study on transients indicates that 38 per cent of last summer's travellers were subject to harassment by police and other authorities. When will the Minister of National Health and Welfare and the Minister of Justice meet to solve this inconsistency?

Hon. John C. Munro (Minister of National Health and Welfare): I do not agree with the observations of the hon. member. If he is asking a question concerning legal sanctions in this area, I think he should direct it to my colleague, the Minister of Justice.

Mr. Rynard: I will readdress my question to the Minister of Justice.

Hon. John N. Turner (Minister of Justice): Would the hon. member be good enough to specify which part of the question he would like me to answer?

Mr. Rynard: Yes, I will, Mr. Speaker. A national health and welfare study has indicated that 38 per cent of last summer's travellers were subject to harassment by police and other authorities. When will the Minister of National Health and Welfare and the Minister of Justice meet to solve this inconsistency?

Mr. Speaker: Order, please. Perhaps the Chair might have suggested to the hon. member from the start that this appears to be an argumentative question. I would think the hon. member is really making a submission to the ministers concerned.

Mr. Rynard: I should like to address a supplementary question to the Prime Minister. Will he give consideration to granting a day of debate to discuss this troublesome situation?

INVESTIGATION OF TASK FORCE FINDING CONCERNING POLICE METHODS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. It concerns the report of the task force on youth services. Since the report says that in many cases police agencies used highly questionable methods to gain information leading to arrests and convictions, can the minister advise whether or not he is having this matter investigated further and whether he has asked the Solicitor General to investigate it and take it up with the Attorneys General of the provinces?

Hon. John C. Munro (Minister of National Health and Welfare): No decision has been taken yet with respect to the contents of the particular report to which the hon. member is referring.

Mr. Benjamin: May I ask the Minister of Justice whether, in view of what this report has to say about the present vagrancy laws and a uniform juvenile age, he is giving consideration to bringing in amendments to these laws?

Hon. John N. Turner (Minister of Justice): I was, long before the report was published, Mr. Speaker.

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MANPOWER

ADVERTISING OF JOB OPPORTUNITIES IN EUROPEAN PRESS

Mr. Barry Mather (Surrey): My question is addressed to the Minister of Manpower and Immigration. Could he say whether his office has received representations from groups such as the Federation of Parents and Teachers of British Columbia urging the abandonment of job advertising published in the European press reportedly stating that there are job opportunities in Canada at this time of unemployment?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am not sure whether that group is among the groups which did write about the subject some time ago. The fact is that specific job advertising was stopped by the department some months ago, although of course the department continues to bring Canada generally to the attention of people abroad as part of the ongoing campaign for the future.

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REGIONAL ECONOMIC EXPANSION

ALLEGED FAILURE OF INCENTIVE GRANTS TO PROVIDE JOB OPPORTUNITIES IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a question for the Minister of Regional Economic Expansion. Could he indicate to the House whether he has received a report from the Atlantic Advisory Council with regard to the failure of regional development incentive grants to produce job opportunities in the province of Newfoundland?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will take the question as notice.

PROVISION OF DOCKING FACILITIES AT COME-BY-CHANCE, NFLD.

Mr. Walter Carter (St. John's West): My question is to the Minister of Regional Economic Expansion. Could he advise the House as to the status of the proposal to supply docking facilities at Come-by-Chance, and could he say whether public tenders will be called for this work?

Inquiries of the Ministry

Hon. Jean Marchand (Minister of Regional Economic Expansion): I should like to take this question also as notice.

[*Later:*]

INCENTIVE GRANTS—ACQUISITION OF PROPORTIONATE EQUITY IN RECIPIENT COMPANIES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. In awarding these various incentive grants amounting sometimes to millions of dollars and ranging in value from $3,000 to $5,000 per job, has the government considered acquiring equity in the recipient company proportionately equivalent to the grant made?

Mr. Speaker: It seems to me that the hon. member's question is in the form of a submission. I think he has to assume that the representation or suggestion he is making to the government will be taken into account.

Mr. Rose: I rise on a point of order, Mr. Speaker. I thought that the minister was about to reply to my question. It seems to me that there is a basic inequity in the fact that when a recipient company makes a profit its shareholders get the benefit, but it if loses the public picks up the tab.

Mr. Speaker: Order, please.

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INFORMATION CANADA

DISTRIBUTION OF BROCHURE, "TOYS: A GUIDE TO CONSUMER BUYING"

Mr. Thomas M. Bell (Saint John-Lancaster): My question is directed to the minister in charge of Information Canada. Since we have just learned that the first publication of his department entitled "Toys: A Guide to Consumer Buying" was not mailed to the public until late January, can the minister say whether this guide for Christmas shopping is eleven months early for next Christmas or one month late for last Christmas?

Hon. Robert Stanbury (Minister without Portfolio): The hon. member is about five days late in asking the question. It was in the paper last week. But I plead innocent. It is not our publication, and Information Canada cannot take credit for the distribution of these materials. It is in the hands of the government printing bureau and not Information Canada.

Some hon. Members: Oh, oh!

Mr. Bell: In view of the takeovers and would-be takeovers in the publishing industry in Canada, will the Prime Minister assure the House that, God forbid, the only one we have left in Canada will not be Information Canada?

Mr. Speaker: Order, please.

[Mr. Carter.]

[*Translation*]

AGRICULTURE

PURCHASE OF BROILER CHICKENS FOR EXPORT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I want to direct a question to the hon. Minister of Agriculture.

Could he say whether Canada has bought broilers from the Poultry Processors Association of Quebec and, if so, could he indicate what price the government paid for them?

Mr. Speaker: It seems to me that this question was put recently.

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[*English*]

CITIZENSHIP

INVESTIGATION OF STATEMENTS OF ALEXIA BANDY, BRANCH EMPLOYEE

Mr. Douglas A. Hogarth (New Westminster): My question is for the Minister without Portfolio in charge of citizenship. Could he advise the House if he has anything to report with respect to the inquiries he has undertaken into the somewhat questionable statements made by Alexia Bandy in British Columbia?

Hon. Robert Stanbury (Minister without Portfolio): Certain statements made by Mr. Bandy some two weeks ago do appear not to have been consistent with his responsibilities as a public servant, even a short term or casual one. This has been brought to his attention and he is no longer in the field but is devoting his efforts to completion of the documentation for which he was temporarily hired.

Mr. Baldwin: With those qualifications he ought to be in the cabinet.

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CAPE BRETON DEVELOPMENT CORPORATION

TRANSFER OF DEPARTMENT OF TRANSPORT EMPLOYEES TO CORPORATION—RETENTION OF PUBLIC SERVICE BENEFITS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Can the minister advise if a formal transfer of employees from the Department of Transport to the Cape Breton Development Corporation has taken place yet and, if not, at what stage are the negotiations and how soon will they be completed? Further, when the transfer takes place will these workers continue to enjoy the same benefits as they did in the Public Service?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I think the employees who were transferred from the Point Edward Industrial Park to Devco will enjoy the same working conditions as they

had before. They will retain all the benefits they had under the Public Service. As you know, recently the Public Service Alliance has been certified as bargaining agent for Devco employees. I do not know what kind of conditions they are going to establish, but I assume the interests of all parties will be safeguarded.

FISHERIES

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS —REPRESENTATIONS TO GOVERNMENTS RESPECTING OBSERVANCE OF LAW

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a further question for the Secretary of State for External Affairs. In view of the statement made by the Minister of National Defence that he has already received representations from the Minister of Transport concerning the infringement of our sovereignty by foreign fishing trawlers, will the minister appeal to his counterparts in the countries concerned requesting them to abide by our fishing laws and the rules laid down by the International Commission for the North Atlantic Fisheries for the preservation of our fisheries resources?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if there has been any breach of the law we certainly will take the necessary steps.

Mr. James A. McGrath (St. John's East): May I ask the Minister of Fisheries if in fact an infringement did take place? If so, can he tell us the extent of the infringement and what steps he has taken to cope with it?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, no infringement of our sovereignty, no breach of our laws, has taken place. There was one minor incident just outside our limits two days ago. All of the foreign trawlers at the moment are 25 or more miles away from our shores. A ruling has been made that all Canadian trawlers must stay outside 12 miles from shore, and this applies particularly off the west coast of Newfoundland. These rules applying to our own trawlers will automatically apply to all foreign vessels as well.

Mr. Speaker: Order. There are three or four members rising on supplementaries and there is just about one minute left before the end of the question period. If hon. members think that the time should be spent on supplementaries, perhaps we might allow one supplementary to the hon. member for South Shore, then try to get in two or three additional questions, and continue with this subject tomorrow.

Mr. Crouse: My supplementary is very brief, Mr. Speaker. I would like to ask the Minister of Fisheries and Forestry what surveillance he is carrying out to make certain that there is no infringement of our sovereignty rights in Atlantic Canada?

Mr. Davis: Mr. Speaker, there are three fisheries protection vessels in the area. Overflights are taking place, and additional resources are available from the Department of Transport and the Department of National Defence.

Inquiries of the Ministry

GRAIN

INCLUSION OF DELIVERIES TO FEED MILLS AS PART OF QUOTA

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister in charge of the Wheat Board. In view of the new quota regulations and procedures for the coming crop year as announced today, can the minister tell the House if deliveries by a producer to feed mills or possibly to large feed lots will become part of his quota allotment?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, there has been no change with regard to those deliveries.

Mr. Speaker: The hon. member for Grand Falls-White Bay-Labrador.

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REGIONAL ECONOMIC EXPANSION

SIGNING OF DEVELOPMENT AGREEMENT WITH NEWFOUNDLAND

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Thank you, Mr. Speaker. I was beginning to wonder if it would be quicker to place my question on the order paper.

Mr. Bell: No, it wouldn't.

Mr. Peddle: My question is directed to the Minister of Regional Economic Expansion. In view of Premier Smallwood's statement two days ago that the second phase, the long-term development agreement, between the minister's department and the province of Newfoundland is ready to be signed, but not signed, and that the government of Newfoundland is all ready to sign, would the minister say if he regards the agreement as being ready to sign and indicate when this signing might take place?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): As soon as the agreement is placed on my desk, Mr. Speaker, I shall deem it ready to be signed.

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[*English*]

GRAIN

BARLEY—INCREASE IN INITIAL PRICE—GRADES ACCEPTED BY ELEVATORS

Mr. Craig Stewart (Marquette): Mr. Speaker, I would like to direct my question to the minister responsible for the Canadian Wheat Board. In view of the minister's announcement today of a ten cent increase in the initial price of barley, and as many elevator points will only accept barley as No. 1 or 2 feed, even if it has previously been graded 3 cw., which has caused many farmers to hold back on barley deliveries—

Mr. Speaker: Order, please. Would the hon. member ask his question?

Mr. Stewart (Marquette): Would the minister tell the House if this situation has been investigated and corrected?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am not aware of any difficulty farmers have in delivering the barley which is required for market. Of course, those farmers who have malting barley, and who have been holding it for that purpose, are in some cases in a certain degree of uncertainty. Across the Prairies, and certainly in Manitoba, there is a good deal of barley that could go into elevator space if it were delivered by farmers.

Mr. Speaker: Order, please. There are a number of members who wish to ask supplementary questions—I notice the hon. member for Mackenzie and the hon. member for Assiniboia—and there are also supplementaries to previous questions, but the question period has expired. We will try to resume these important matters during the question period tomorrow. Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, I was going to ask the Government House Leader about the business for the rest of this week and next week, but before that is done I notice that the Minister of Justice very graciously rushed in to answer the question that his parliamentary secretary took as notice, and if the House gives unanimous consent he might answer.

Mr. Trudeau: No.

Mr. Baldwin: Otherwise, I will hold it until tomorrow.

Mr. Speaker: Orders of the day.

Mr. Baldwin: Mr. Speaker, I did ask for the business of the House.

Mr. Speaker: Order, please. The hon. member put the question in such a confusing way that the Chair took it for granted the hon. member was willing to put off satisfying his curiosity about several matters until tomorrow, but I gather he would like the President of the Privy Council to reply to his original question.

Mr. Baldwin: That is my choice.

Mr. MacEachen: Mr. Speaker, we shall continue with the Canada Development Corporation bill, followed by the Budget bill, the young offenders and the Yukon minerals bills. However, as the first orders on Friday I would like to call the report stages of Bills C-217 and C-185, and probably the same stage of Bill C-2 on Monday.

Mr. Speaker: Orders of the day.

[Mr. Stewart (Marquette).]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise only to prompt the hon. member for Peace River to the effect that we had an agreement about the length of speeches today.

Mr. Baldwin: I was just on the point of rising to suggest that since there has been so much interest in this subject and it has been returned by popular demand, we might agree to have four 20 minute speeches from the first speakers for each party, and thereafter 15 minutes for succeeding speakers, which might permit a greater number of members to participate.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

• (3:10 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO PROVIDE EMERGENCY FINANCIAL SUPPORT TO OFFSET ESCALATING EFFECTS OF EMPLOYMENT POLICY ON ASSISTANCE FUNDS

Mr. S. Perry Ryan (Spadina) moved:

That this House condemns the government's failure to foresee and take steps to provide for the escalating effects of its employment policy upon the social assistance funds of the provinces and municipalities and its failure to consult and co-operate with the provinces and municipalities in providing emergency financial support and employment programs.

He said: Mr. Speaker, the escalating effects of the government's deliberate unemployment policy to combat inflation continue to plunge our nation's economy deeper into a major recession and to increase unemployment in all parts of Canada, and the end is not yet in sight. The government has always bragged about its greatly expanded role in the economy of the nation and the new and modern way in which it would manage its monetary, fiscal and economic policies. Even the Bank of Canada would not escape its dominion, according to the Minister of Finance (Mr. Benson) yesterday.

The government has, at great expense, hired hundreds of advisers, this being the secret of how to hone the economy to a fine edge. They were to be the experts, the input boys, the epitome of energy and wisdom. They were to have the ideas for the government, to make plans, to predict, to manage and direct. Their salaries were to be fixed in anticipation of superlative results. But what went wrong? As the Prime Minister (Mr. Trudeau) leaves I ask him, why do we not hear about these legions of whiz kids any more? They were recruited to get results, and not just be buffers between the Prime Minister and reality. Could it be that this computerized human army came up with the wrong advice? Has he been receiving incorrect advice from some deputy minis-

ters which has resulted in this country's economy being struck by a sledge hammer? In either case, the only proper conclusion is that this government is being steered by those bureaucrats who are as incompetent in economic management as a befuddled Prime Minister and his cabinet are incompetent in judging their incompetency.

This government's failure to foresee, and take steps to provide for, the escalating effects of its employment policy has precipitated a welfare crisis for the provinces and municipalities across the land, particularly for the city of Toronto which, as I shall explain later, is suffering from a double effect. The government brought about this crisis without consulting with or advising the provinces and municipalities in advance. It has belatedly, and after much pressure, endeavoured in a limited untimely, ineffective and unfair way to repair some of the damage. While this action will prove to be of some utility in the long term, what is required is emergency financial support and emergency employment programs now.

Let me illustrate the positions in which the municipality of metropolitan Toronto and its central borough, the city of Toronto, find themselves. Metro Toronto administers all welfare and social assistance in the metropolitan area and turns down no applicant for welfare. It charges the boroughs for the number of persons assisted, not on the basis of permanent or temporary residence but on the basis of assessment in each borough. The cost falls not on the general populace, as does income tax, but on the owners and tenants of real estate in each borough. Metro pays 20 per cent of welfare assistance, the province of Ontario pays 30 per cent and the federal government pays 50 per cent. As unemployed people from all over Canada migrate to the Toronto area seeking work, they find it necessary in many instances to apply for welfare.

Since most of these people gravitate to the centre of the metropolitan area, the city of Toronto harbours more than its share of them. In 1969, metro had an estimated population of 2,316,000 and about 30 per cent of the people live in the city of Toronto. But since the city has 43 per cent of the total assessment for metro, its taxpayers are required to pay 43 per cent of all metro's operating costs, including welfare. Thus, the city of Toronto not only has an escalated bill for local applicants, but suffers from the double effect of being in metro at the centre of the national focus for itinerant applicants from all parts of Canada and paying for 43 per cent of them. Thus, Mayor Dennison of Toronto, finding his budget affected in an abnormal, unexpected and unfair fashion, is of course only doing his duty to every owner and tenant of land in his city when he seeks an emergency meeting with the Prime Minister to claim emergency financial support.

A complicating and exacerbating factor in the picture is that if seasonal unemployment benefits slated to expire on May 15 next are not extended, thousands more will be applying for welfare. Social Services Commissioner, John Anderson, of metro Toronto predicts that as many as 10,000 more people across metro might be forced to seek assistance if the unemployment insurance dries up on the scheduled day. So now, not only Mayor William Dennison and his executive council from the city of Toronto, but also metro Chairman Albert Campbell and his entire metro council are heading to Ottawa to see the Prime Minister.

In 1970, the metro department of social services spent $50,596,543, being $5,503,231 more than it had estimated for the year. Its 1971 estimate is $75,424,228 which is an increase of about 50 per cent. The direct payment of general welfare assistance is mainly responsible for these increases. The direct welfare share paid for 1969 was roughly $20 million; for 1970 $30 million and is estimated to be $47,700,000 in 1971. If seasonal unemployment benefits are not extended beyond May 15 next, then the projection for metro's 1971 direct welfare costs is $70 million. So, no wonder every borough in metro, probably every municipality in Ontario, and above all the city of Toronto, are alarmed by the emergency they are currently and imminently facing.

This chaos arises at a time when there is one financial crisis after another facing Canadian cities. The growing militancy among government employees, along with increased unionization has proven costly. In the past, the pay of municipal workers and school board employees tended to lag in periods when there were rapid advances in wages and salaries paid by industry. That is changing. More government workers are now saying, "We want to get ours along with everybody else".

Cities are extremely vulnerable to this sort of challenge. They cannot shut down operations all at once the way Massey-Ferguson can close a plant if it is struck or losing money, as is the present case in my riding where 900 employees are to be laid off March 1. When you have a period of employee militancy and threats to suspend vital services, you tend to get a rapid increase in salaries.

A second factor in the financial squeeze is the higher costs for equipment and supplies, construction costs and all costs associated with health services. A third factor is the slowdown in the increase of provincial aid available to the cities. This is caused by the fact that the provinces are now themselves up against the wall for the same reasons that the cities find themselves pinched. The provinces have in turn not even been able to pry additional funds out of the federal government, except on a loan basis at high interest rates.

Toronto has had to raise taxes at a fairly rapid clip, but there are limits as to how fast and how far they can go. Called upon to face 43 per cent of the operating costs of all metro, plus the welfare crisis bind, its taxpayers are screaming. Another great problem is that if your taxes go too high, you create more severe economic conditions and consequences, forcing business to move away and forcing the more well-to-do residents out into the suburbs, causing the abandonment of housing by owners as well as tenants. Property taxes are harder on people with low incomes than on those with high incomes, and property owners are discouraged from making improvements for fear of increased assessments. Another bad effect of higher property tax rates is that housing becomes more expensive. Housing is one of the most

highly taxed items in our entire revenue system, and you only get credit for such taxes in computing income tax when you rent your property.

While the municipalities are pleading with the higher levels of government to take direct responsibility for financing some vital municipal activities, such as the whole range of welfare services, health care and, to a greater degree than at present, education, they are suddenly stunned by the impact of the federal government's employment policy which has reverberations throughout their structures. And while this government slumbers on these problems and seeks to rush through this House an omnibus bill that will water but not fortify the cabinet, save with respect to salary increases, what is the American government doing to meet a similar but not such severe crisis in the United States.

• (3:20 p.m.)

President Nixon's latest approach to aiding cities and states is based on two concepts: first, special revenue sharing funds or block grants and, second, general revenue sharing. Under President Nixon's program, total aid to state and local governments will increase substantially. It will eliminate 130 existing federal programs by granting money to states and localities for specific, detailed purposes in six areas, education, urban development, transportation, manpower training, rural development and law enforcement. It will turn over $11 billion a year to local governments in the form of annual "block grants" to be spent in these six broad areas with few strings attached. This will do away with a host of grant-in-aid programs that Congress has authorized over the years for dealing with a variety of domestic problems. These existing aid programs will be telescoped into the new block grants. For instance, $2.6 billion will be earmarked for transportation to assist urban mass transit, airport improvement, highway building and beautification and traffic safety and $2 billion will be allocated to such fields as model cities, urban renewal and rehabilitation, sewer and water facilities. The administration will take away $10.4 million in grants-in-aid programs, so that the net federal cost will be $700 million. The whole program should be more efficient than the existing hodgepodge. The administration calls this "special revenue sharing", as distinguished from its "general revenue sharing" plan.

Under general revenue sharing, an entirely new government undertaking, President Nixon has proposed that a fixed percentage of the federal personal income tax should be turned over each year to states and localities for their use, with no strings attached. The president has recommended 1.3 per cent of taxable personal income. This is estimated to provide an additional $5 billion in the first full year of operation, rising to $10 billion by 1980. In a recent message to Congress, the President pointed out that federal aid to the states and localities had grown from less than $1 billion in 1946 to over $30 billion in 1970. So, that is the order of escalation of aid in the United States. Here the local governments are being handed not more money, but loans and escalating problems. Here, the total budget for urban infrastructure for 1971 is a mere $153 million for the whole country.

In past proposals for tax reform, our federal government has systematically refused to present a program that would take into consideration provincial and municipal taxing problems. Such a reform would have permitted provinces and municipalities to have the necessary revenues to meet their current needs. In 1968, 69 local governments in Ontario went into debt by $275 million. That is a sum equal to 20 per cent of total revenue raised from all local sources. It is a stark fact that local governments lack the financial resources to meet present obligations, let alone to assure any additional functions such as welfare services due to high unemployment.

There is a short term solution to this problem, and it is for the federal government to increase its share to the Canada assistance plan in order to alleviate the burden of the municipalities. By refusing to help the provinces, and especially the municipalities, to meet their increased costs, the federal government is shirking its responsibilities. As the government has created unemployment because of its policies, it should at least pay to maintain unemployed employables and their dependants.

Some hon. Members: Hear, hear.

Mr. Ryan: Like 45 per cent of the leaders of Canadian municipalities, Mayor Dennison of Toronto advocates the immediate introduction in Canada of a shared cost emergency employment plan to enable the immediate hiring of employables for work on worthwhile projects. He says that in Toronto's situation, which has 41.5 per cent of Metro's welfare applicants, even the hiring of a few hundred men for the next few months for useful work would have a snowballing effect on employment, help his city's economy generally and keep his taxes down. In addition, necessary projects could be completed. He suggests a cost-sharing formula of 50 per cent federal, 25 per cent provincial and 25 per cent municipal. This would, in effect, have the higher levels of government pay the labour content and the municipalities the material content.

The emergency implementation of such a program would be heartily welcomed by the city fathers, by myself and, even more, by the thousands of hard-pressed homeowners and small businessmen in the core of downtown Toronto who will otherwise bear the whole brunt of this crisis in their next year's tax bills. A federal loan for the project of $1,600 million at the rate, as of March 1, of 6.79 per cent is not the answer. The city will have to repay the whole of the loan, plus the interest, which adds insult to injury. It must be apparent to the Prime Minister that if grants have to be paid from income taxes so, too, do loans, and that the repayment of the latter will not only unquestionably have to come from the taxpayers of Toronto, but will be much more onerous by reason of the interest charges which will be additionally payable. Furthermore, the income tax spread or collection base is from all of Metro and from every taxpayer, and not just the property owners of Toronto. In the last budget of the Minister of Finance (Mr. Benson), provision was made for a $17 million loan to Metro Toronto. Nothing was

made available directly to the city of Toronto. The entire sum was to go to Metropolitan Toronto.

I sincerely hope that all hon. members from Metro ridings who continue to support the government, although with less and less enthusiasm with every passing day, will urge the government to try to remedy the huge blunder it has made in mismanaging the economy of the country by being helpful to Mayor Dennison and Chairman Campbell when they come to Ottawa. Even charity begins at home, but their requests are not charity; rather they are justice.

The care and attention lavished on the states and localities of the United States is in stark contrast to the degree of consulation and assistance to the local governments in Canada. Not only is an urban council and an environment council needed here, but so is a financial and economics council meeting quarterly, so that all levels of government will know the current situation and be in a position to assist with economic planning. I dare say that if such a council had been operative over the last few years, this current unemployment and welfare crisis would not be upon us. Britain is a unitary state and is just as aware of its municipal problems as of its foreign affairs; but over here no way is open to us, unless the federal government seeks agreement with the other levels of government. This it has a duty to do in a federated state.

I know that the Minister without Portfolio (Mr. Andras), responsible for housing and urban affairs, has had his hands full with housing problems and has been doing a job in respect of them; but he has been seriously neglecting his responsibility for urban affairs. It is time that he turned his attention to some innovative short and long term solutions to the problems that we are dealing with in this debate today. I urge him to go to the United States, over to Britain and mainland Europe and learn from their experience.

Mr. Speaker: Order, please. I apologize to the hon. member. I must interrupt him at this point to bring to his attention that, pursuant to the agreement put forward and adopted earlier today, his time has expired. He may continue if he has the unanimous consent of the House. Does the hon. member have that unanimous consent?

Some hon. Members: Agreed.

• (3:30 p.m.)

Mr. Ryan: I urge him to make these visits to foreign lands and not let constitutional hangups trouble him too much. Practically everything he will want to do can be done by agreement among the three levels of government and be perfectly constitutional, despite the weird and wonderful world of the Prime Minister. Where there is a will, there is a way, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Don Valley (Mr. Kaplan) seeks the right to ask a question of the hon. member. As the hon. member's time has expired, this can only be done with the unanimous consent of the House.

Alleged Non-Support of Employment Programs

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimous consent.

[*Translation*]

Consequently the Chair now recognizes the hon. member for Villeneuve.

Mr. Réal Caouette (Témiscamingue): Thank you, Mr. Speaker. I represent Témiscamingue riding and not Villeneuve.

In any case, I wish to express my sincere thanks to my colleague from Winnipeg North (Mr. Orlikow) who has given me the opportunity to speak ahead of him this afternoon. This courtesy does him credit and shows that in the House of Commons, whatever our political ideas, it is always possible to help one another from time to time. So I am grateful to him for having provided me with this opportunity.

The non-confidence motion moved by the official opposition holds nothing new. This leads me to say that identical causes generally produce identical results.

We could have read exactly the same non-confidence motion in 1961 when the country was administered by a Progressive Conservative government. In fact, there was in Canada one million unemployed at that time, and we could have read, and I quote:

That this House condemns the—

—Progressive Conservative—

—government's failure to foresee and take steps to provide for the escalating effects of its unemployment policy upon the social assistance funds of the provinces and municipalities and its failure to consult and co-operate with the provinces and municipalities in providing emergency financial support and employment programs.

Mr. Speaker, if, at that time, the Progressive Conservative government had taken the measures required to correct the situation, we would probably not have to face the present problem. At any rate, it is obvious that the No. 1 problem in Canada is unemployment, the consequence of which is poverty.

While the government attempts to fight unemployment and restore some measure of prosperity in Canada, there is not a single day when we cannot read in a newspaper, hear over television or radio that such or such an industry is in the process of closing down or curtailing production.

Here is a recent example: Massey-Ferguson has announced that 2,750 employees will be laid off, supposedly because it has too much equipment. In the textile, footwear, clothing, automobile industries, in short in every field, there is talk of lay offs, because sales are lagging.

In the lumber industry, the closing down of plywood and other plants is being considered because there is overproduction and the surpluses cannot be sold.

Let us see what is going on in the mining industry. In my own area, within a few weeks the Wasamac gold

mine will lay off 350 employees. And this morning, I got a telephone call from the unemployment insurance office in Rouyn advising me that the Molybdenite mine of Lacorne will be laying off 180 people next week-end.

The Cadillac Moly mine has already closed down. Industries are folding up while the government sets up new departments to fight unemployment. What a joke! The more talk there is of fighting unemployment, the more unemployment is allowed to grow. New departments, such as the Department of the Environment, are set up to co-ordinate the activities of all other departments. There is a proposal to create the Canada Development Corporation in order to promote new industries while we cannot use what our industry, our farmers for instance, can produce. Why? Because no valid solution is brought forward.

And when we get a day such as today to set out our suggestions, we realize the lack of interest for a matter as fundamental as this one not only among members of Parliament but also among newsmen always looking for scandals and sensational news. A look at the press gallery is enough to note that there is only one man there and he is probably from the Canadian Press. There is no representative of the press nor of the CBC. When we deal with serious matters and can suggest solutions, nobody is there to hear us.

If we had announced this morning that we would discuss the trial of Paul Rose in Montreal, the gallery would be full to hear us speak about it. When we refer to economic solutions to problems now confronting us, the gallery is empty. Mr. Speaker, it is shocking to see the behaviour of those people who claim that they inform the Canadian people. They took off as soon as we began discussing this non-confidence motion.

Mr. Speaker, the Créditistes tell the government once again that its solutions are ineffective. The government is not using the right means to solve the unemployment crisis. There is talk of increasing the purchasing power of the people. I read recently in *Le Petit Journal* of Montreal the following editorial signed by Mr. Maurice Roy, which I quote:

• (3:40 p.m.)

A shower of dollars.

The sixth part of the report of the inquiry commission on health and welfare recommends the payment of a guaranteed minimum income to all citizens, if Quebec succeeds in retrieving from Ottawa the income security systems.

In short, this is social credit in disguise.

It is not I who wrote that, but Mr. Maurice Roy. I keep on quoting:

The same proposal, advocated for a long time by Mr. Réal Caouette, was considered utopic. One must try to understand now why granting $2,000 to single persons and $3,400 to married couples is not utopic anymore. By the way, let me remind you that Réal Caouette has never cost as much to taxpayers as the works of the health and welfare commission. Learned economists suggest that the payment of a guaranteed income would contribute to the stimulation of economy.

For the past thirty years now, we have been suggesting an increase in the purchasing power of Canadians, so as to stimulate the Canadian economy. The economists as well as the government said that we were preaching something utopian. And now, they do recognize the fact that a yearly guaranteed income would contribute to stimulate the economy.

I go on with my quotation:

Maybe but on the condition that money should be properly spent. Would this shower of dollars on people help them to work? Maybe but at the present time, many recipients would rather stay home because it is paying off.

Given all these problems, a second enquiry commission will probably have to be appointed in order to implement the recommendations of the first one.

Mr. Speaker, Mr. Maurice Roy indicates that this is social credit in disguise because the proposals of the commission tend to apply measures aimed at taking money from the wealthy in order to give it to the destitute, which is exactly contrary to social credit.

What does the social credit advocate? The party advocates a minimum vital requirement, which is the annual guaranteed income, not to be taken from the pockets of those who do own something, but to be provided by Canada's immense resources, by resorting to the funds of the Bank of Canada, by setting up the funds required just as the people of Canada are able to create goods and services in Canada. To the same extent that Canadians are able to develop their country, it is the government's duty to use the services of our financial institution called the Bank of Canada.

We would then respect the assets of those who have something, and would deprive none. Canada can afford to give something to everyone. It is a fact that the population as a whole, besides spending its whole income, the national annual income, is indebted to finance companies by $12 billion. Why? Because Canadians do not have the purchasing power required to acquire existing products. Why are factories closing down? The management of Massey-Ferguson gave us the answer: We have too many machines, they said. Do we have too many machines? Do we have too much farm equipment or unsufficient consumption? Let us find out from the farmers in Western Canada, in the central provinces, in the province of Quebec and in the Maritimes! If these people have all the farm equipment they need for their work, we will get an extraordinary market. Massey-Ferguson would have twice as many employees if they could sell the farm equipment they produce. What should the government do to solve the problem of lay-offs, of unemployment, of misery and so on? Several times we made proposals in the House.

We request, for instance, that all married persons with an annual income under $5,000 be exempt from income tax. We request the same for single people earning less than $3,000 a year.

When we ask that old age security pensions, widow pensions and disability pensions be increased to a minimum of $150 a month, we shall be put down again for utopians, although this is only the way to increase the consumer's purchasing power.

When we request the establishment of students' salary, not a program to get them into debt or to abet laziness, but a program to assist effectively those who want to study and do somehing in life, we suggest that this is a right similar to any worker's, provided of course they are seriously interested in getting their degrees.

So we suggest that a salary be paid to students. We are a nation where freedom exists. I have seen Communist countries where students are paid salaries, the University of Moscow, for one. In fact, I was in Moscow with my good friend, the hon. member for Gaspé (Mr. Cyr), and we talked to students. They were not being paid much, no, but just the same they were getting $30 a month. This kind of money in Russia amounts to quite a substantial sum when one considers that workers are getting only $45 or $55 a week.

Similar legislation would help our young people get a training and take active part in building up a well-balanced society. They would no longer dream of overthrowing this society of ours because they would feel capable of being integrated into it. Our young people would have more faith in the future.

Another point I want to insist upon is the national dividend. The reaction is always the same: it would promote laziness and create inflation. Still, we never had any national dividend nor any social credit administration and look at the kind of inflation we can get into!

One year ago, for the purpose of fighting infiation, the government authorized the Bank of Canada to raise its interest rate. So chartered banks followed suit and interest rates skyrocketed.

The Prime Minister (Mr. Trudeau) then replied "This will help fight inflation, what does it matter if unemployment results". Naturally, unemployment resulted. There was a smothered uprising in Quebec. There is protest throughout Canada. Even in British Columbia youth are revolting against the system. Then the Prime Minister wakes up and says that to fight unemployment they will cut interest rates. So they lower interest rates to reduce unemployment, so they say, and they create more inflation because the system is basically inflationary.

They fool the population year after year. Thanks to a few billion dollars, we will probably create jobs in the spring and then call an election to make the people believe that the government has finally managed to lick unemployment, even if it should mean more unemployed next fall.

We speak of a national dividend, not to create inflation but to balance the purchasing power of the Canadian people with the goods available in Canada. We are told that the gross national product will be of $90 billion this year, and that the Canadians will earn about $65 billion. There will be a gap of $25 billion between what the people produce and what they earn. We want to balance the purchasing power with present production, in goods and services.

Mr. Speaker, I have repeatedly suggested that this solution be tried out. Let us not adopt the monthly dividend right now, in order not to make a mistake. However, I ask the government to try and apply our solutions.

• (3:50 p.m.)

The government should direct the Bank of Canada to distribute forthwith to each Canadian citizen, man, woman or child, the sum of $100. That would be a distribution of purchasing power not affecting prices and directly originating from the Bank of Canada. The money supply would be increased by 2.1 billion dollars. A family of 10 persons would get $1,000; a family of 5 would receive $500; a family of 2 would have $200, and a bachelor would get $100. It would not take more than two months to bring about a change in this country.

If the people have a greater purchasing power at their disposal, they will empty the shelves in stores. Merchants will go and get products from industries. If industries sell their products, they will hire unemployed people to increase their production. We will then, thanks to the consumers, have efficiently fought unemployment in Canada.

We would not hear then that Massey-Ferguson has laid off 2,750 employees. We would not hear about the closing down of sawmills, textile plants and others.

There will always be some other problems to solve. We agree. The problem lies in the lack of purchasing power.

The Minister of Agriculture (Mr. Olson) has spoken about the over-production of milk, for example, in the province of Quebec; he maintains that our dairy industry produces too much and that dairy producers must be penalized if they exceed their quota.

Mr. Speaker, that is a big lie spoken to the people of Canada. I know families in Montreal and in my own riding, and also in Hull-and there may be some in Ottawa who would need seven, eight or maybe even ten quarts of milk a day for their children. But they can only afford one or two each day. And we are being told that there is an over-production of milk.

Mr. Speaker, the problem in our country is under-production of milk, clothing, farm machinery and automobiles.

Mr. Speaker: May I interrupt the hon. member to remind him and the House that he has run out of time, under the order adopted by the House earlier today.

The hon. member may, of course, carry on with his remarks, provided there is unanimous agreement by the House.

An hon. Member: Agreed.

Mr. Caouette: Mr. Speaker, I should like to thank my hon. colleagues, and I shall not take up any longer the time of the House.

I would like to suggest again to the government that Social Credit has been derided, ridiculed, but that, today, we are confronted by the serious problem of poverty and increased unemployment in Canada, problem likely to lead to chaos, to discontent and rebellion, not only in Quebec, but throughout the country.

That is why I seriously urge the government to consider the situation, keeping in mind the proposals of Social Credit. Let us try them, and if these solutions prove inefficient, let us put them aside. But if they should prove effective, we shall all turn Créditistes!

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating the very serious financial position of most of the cities of Canada and the provinces because of the tremendous increase in the cost of welfare today. This, in turn, has been brought about by the unprecedented increase this last year in the number of people unemployed in Canada. The figures we received earlier this month indicated that 668,000 people were unemployed in January, 1971. If one adds the 100,000 people attending manpower training courses, one sees that over three-quarters of a million people are in fact unemployed.

The seasonally adjusted percentage of unemployed in January was 6.2 per cent. The Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Benson) took pride in, and were happy with, the fact that the seasonally adjusted rate had come down. Only a government headed by a millionaire, by a man who has never had to worry about where his next meal would come from, a government headed by a man who did not have to worry about how to finance his next trip to a distant part of this world, could take pride in and be happy with a statistic such as that. Only a government that played the numbers game could ignore the tremendously difficult, indeed traumatic conditions faced by so many people in this country.

I talked this morning to some of the people in the public welfare department in the city of Winnipeg, and let me make it clear that, compared to some areas in Canada, Winnipeg is doing quite well. I heard over the radio a couple of days ago an interview with the hon. member for Matane (Mr. De Bané). He talked, and talked much more eloquently than I could, about the situation in his constituency, where in most of the towns 30 per cent of the people were on welfare and in the rural areas 50 per cent were on welfare. This is not the case in the city of Winnipeg, but I should like to put on the record a few illustrations of the kinds of problems the city has had to meet and the kind of people to whom the city has had to render assistance in the past year as a result of the tremendous increase in unemployment.

Before I do that, I do want to make it clear once more, as I have in the past, that these three-quarters of a million unemployed did not result from an accident but rather from a deliberate plan by the government, as enunciated by no less a person than the Prime Minister. Last year, in answer to a question about how determined he was in his attempts to beat the rising cost of living, the Prime Minister said he would not be deterred even if we had to have 6 per cent unemployment, he would not curtail his program of restraint because inflation had to be overcome. We now have 8 per cent unemployment, and it is this which has given rise to the problem that I am going to refer to in a moment.

The city of Winnipeg has had for several years a supplementary welfare plan. In cases where a man is working full time but has a large family, or where illness strikes a family, or in cases where because of lack of qualifications the wage earned is insufficient to meet the needs of the family, the city of Winnipeg supplements welfare assistance. I should like to cite the case of a married man with seven children who had worked in a plant for a number of years. His education was not very good and he was unable to get a better job, so the city supplemented his earnings to the extent of somewhere between $50 and $100 a month. The plant, like so many other plants, was experiencing difficult times and had to lay off this man. As a result, today the city is paying the full cost of welfare for the family, which amounts to something in the neighbourhood of $400 a month.

Then, there is the case of a family of five. The husband had no formal skills but through his work had gained experience as a cook. As long as he was working he was able to manage, but when he was laid off he was unable to find another job as a cook. He has been doing casual work, such as driving a taxi, but he has not been able to earn enough money to keep his family, so the city paid him supplementary welfare.

My third case is that of a young man who is putting himself through university, something that the country has been urging our young people to do in order to improve their educational qualifications. He is now in the third year of his bachelor of science course and he has helped maintain himself by part time work during the school year and by working full time in the summer as a clerk. Recently he was laid off. He has been unable to get any part time work, so is now receiving welfare assistance from the city of Winnipeg. To his consternation, he finds that when he tries to get the only kind of job available, that is an usnkilled job, he is told that he is over-trained. This man is married and has six children. He was in the air force and was trained as an air controller. He was honourably discharged because of a mild case of epilepsy. He took a job with the Department of Transport for some time and was then laid off. He accepted the advice of the government of Canada and arranged to take a course in business administration at the Red River Community College. This is a man who has been fairly well trained in two skills, but he cannot get a job at the present time. He is unemployed and the city of Winnipeg is paying the necessary amount of welfare to keep the family.

• (4:00 p.m.)

I could duplicate this sort of example in respect of individuals in every city in Canada. On Saturday, January 30, there was a full page article in the Toronto *Star* dealing with a woman who lives in Don Mills. I am sorry that the hon. member for Don Valley (Mr. Kaplan) is not here, although I think he tried to ask a question about this. He does not have much personal experience in respect of unemployment problems, but he should read this newspaper article. It refers to a woman who is a trained nurse. Unfortunately, because she was trained in Scotland, she is unable to work as a nurse in Canada.

She is a highly skilled secretary. She quit work two and a half years ago in order to have an operation. After she could go back to work she got another job, but did not get along with her employer so she made another change. She was doing fine but, as a result of a severe slow down was laid off. Much to that woman's consternation, she has had to apply to metropolitan Toronto for welfare.

This is the kind of situation which exists in every town and city of this country, as a result of the deliberate policy of this government to slow down the economy. The government has completely ignored this kind of situation. Let us look at what has happened in other cities in Canada. It is interesting to note the absence from this Chamber of hon. members from the metropolitan Toronto area. I must amend that statement because I see two out of some 22 are here. They were not absent when the mayor of Toronto wanted to meet with them to discuss their problems, but they are certainly absent today.

Last year the cost of welfare in metropolitan Toronto was $50 million. It is estimated that in 1971 this cost will increase to $75 million. It is true that the city of Toronto only pays 20 per cent of the cost, but even that means that the taxpayers of metropolitan Toronto paid $10 million in welfare costs last year and will pay $15 million this year. This will have a bearing on their tax rate. In metropolitan Toronto there were 14,800 welfare cases up to December of 1969. This figure for December, 1970 was up to 24,200. Is it any wonder that the people in Toronto, including the mayor and the members of the council, are concerned about what is happening in that city?

In the city of Winnipeg, the cost of welfare in 1969 was $3,900,000. In 1970, the cost was $5 million, and the estimated cost for 1971 is $6 million. In Halifax, the cost of welfare has increased from $833,000 in 1969 to an estimated $1,265,000 in 1971. In Hamilton, this cost has increased from $1,265,000 in 1969 to an estimate of almost $2,500,000 in 1971. In Windsor, the cost has gone up from $1,600,000 in 1969 to $2,270,000 in 1970. In Vancouver, it has increased from $3,500,000 in 1968 to $6,115,000 in 1970. So it goes, Mr. Speaker, from city to city and from province to province. The cost to the federal government under the provisions of the various social allowance acts is increasing at an astronomical rate.

In 1970 the federal government paid the province of Quebec $146 million; the province of Ontario, $158 million and according to estimates made by the federal government, in 1971 payments to the province of Ontario will increase from $158 million to $198 million and the payments to Quebec will increase from $146 million to $238 million. I wish the minister were here in order that he might correct these figures if I am wrong. This is what is happening in the provinces and in the cities as a result of the economic policies adopted coldbloodedly and deliberately by this government. It is no wonder the provinces and cities are calling on the federal government to take action. After all, it was not the provinces or the cities that created this unemployment, but the federal government. Therefore, it is the federal government which ought to accept the responsibility of providing the necessary money to meet the increased cost of welfare created by the rapidly rising unemployment rate.

Alleged Non-Support of Employment Programs

Very shortly we will be dealing with major amendments to the Unemployment Insurance Act. The white paper prepared by the government proposes certain amendments on the basis that when unemployment rises above 4 per cent the unemployment insurance fund will not be required to meet the claims of those who are unemployed and are entitled to unemployment insurance. The federal government makes it clear that this country should not have more than 4 per cent unemployment. The white paper suggests that the federal government will pay out of its general revenues the unemployment insurance benefits required in relation to those people unemployed when unemployment is over the 4 per cent figure. I reject this 4 per cent figure. I recognize the fact that in this country we have cold weather which brings tremendous problems in some areas. We have problems in Ottawa because of the inordinate amount of snow. We cannot expect full employment such as is enjoyed in some European countries. In my opinion, full employment in Canada means not more than 3 per cent unemployed. Let us accept the 4 per cent figure suggested by the government as being a fair proposal in respect of unemployment insurance benefits.

• (4:10 p.m.)

Let us assume for the moment that when unemployment is at 4 per cent, it can be considered to be a period of full employment. I suggest to the government that if, for the purpose of discussing a sensible financing and funding of unemployment insurance, the government of Canada said that 4 per cent unemployment is full employment and that over and above that it will carry the burden, then the government could well, and in fact should, adopt the the same principle in connection with the costs of welfare. The hon. member for Spadina (Mr. Ryan) puts the figure at 3 per cent, and I agree with him. I know it is unlikely that the government will listen to my plea that they use the 4 per cent figure, so I am certain they would not listen to my plea that they use the 3 per cent figure. But certainly, there is no reason why the government should not adopt the principle that when unemployment is more than 4 per cent the government will carry the major burden or even the entire burden of the welfare costs which result from this inordinately large amount of unemployment.

I believe that to be a fair proposal. I believe that the cities of Canada cannot continue to carry the burden of the tremendous increase in welfare costs which we have seen in every city in Canada in the past two or three years. I believe that unemployment has been created to a large extent by the government of Canada, and I think the government should act now. Therefore, I want to move an amendment to the motion moved by the hon. member for Spadina.

I move, seconded by the hon. member for Broadview (Mr. Gilbert):

That the motion be amended by inserting therein, immediately after the words "emergency financial support," the words "including an increase in the federal government's share of costs under the Canada Assistance Plan from 50 to 65 per cent".

Alleged Non-Support of Employment Programs

Mr. Steven Otto (York East): I often wonder what has turned the fortunes of this government that they depend upon me to defend their policies.

Mr. Knowles (Winnipeg North Centre): You may have to take over yet.

Mr. Douglas (Nanaimo-Cowichan-The Islands): This is an act of desperation.

Mr. Otto: I do not think it is as much desperation as an acknowledgement of my seniority. I have lasted here for eight, almost nine years. I do not have so much difficulty with the amendment to the motion as with the motion itself. I wonder if the Leader of the Opposition (Mr. Stanfield) could put us straight. Is it that the Progressive Conservative party believes that under the old constitution there could be direct dealings between the federal government and the municipalities? I have no objection to this, but I think the Tories should stand up and say so if that is what they believe. They should say so to Quebec, to the Maritimes, to British Columbia and to all the other provinces. Then, they should tell us which municipalities will be included in this entente between the federal government and the municipalities, and which ones will be excluded.

It seems to me that the Prime Minister (Mr. Trudeau) dealt with this suggestion quite some time ago and the provincial premiers discussed it at some length. I was under the impression that this entente, this position of the municipalities, would not be appreciated by the provinces. I understand the provinces insist, even under the amended constitution, that the federal government deal with the provinces which will, in turn, deal with the municipalities. It was not too long ago that the Minister of Finance (Mr. Benson) announced that $150 million would go to the provinces for new projects which will employ people.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As loans.

Mr. Otto: The hon. member seems to indicate that if it is a loan it comes from a different pocket, from a strange Martian pocket. Taxes come from the same pocket. It does not matter whether it is a loan to be repaid or a grant to be repaid.

Mr. Orlikow: Tell that to the people of Toronto.

Mr. Otto: I am saying it to the people of Toronto and to the hon. member for Winnipeg North (Mr. Orlikow) as well. Of the $150 million allocated, $17 million or so went to Ontario of which not one penny, as of noon today, has been requested. Do not blame the federal government for not forcing this money upon them; that just does not make sense. I have here one news comment to the effect that the city of Toronto is very anxious to employ its people and that it has accepted bids for manhole covers. It is not much of a contract, only $51,000. A Hamilton firm's bid was $54 lower than that of a Toronto firm, one tenth of one per cent less. The city of Toronto accepted the Hamilton bid, and as a result 36 people were laid off from the Toronto company.

[Mr. Orlikow.]

If municipalities are going to make pleas to the federal government for support, these pleas should make some sense and should be explained to the people. I have no objection to them asking for $1,700,000, but when that money will only create 111 jobs for 30 weeks then I should point out that the Minister of Manpower and Immigration (Mr. Lang) is doing a better job. He is offering $2,000 to $5,000 per job. This government would be expected to offer $17,000 per job. Again, I am not exonerating the federal government. In fact, I blame this government for its acceptance of conventional thinking. The government said, we are against inflation and therefore we are for restriction. If anyone said that he did not want restriction and why did the government not try expansion, the government would immediately say he was for inflation. I do not agree with that type of thinking, and many of us do not. However, Mr. Young does, and unfortunately there is some talk of Mr. Young continuing. I hope he does not because his mind is fixed on restriction. That is conventional thinking and that is what has led us to this position. The least we can do for this country is examine what happened a year ago.

I regret very much that the hon. member for Spadina (Mr. Ryan) did not introduce a motion asking this House for new ideas. Never mind what happened yesterday or the year before, that will not put people back to work. Here is the city of Toronto and other municipalities going back to conventional thinking and producing winter works projects. Anyone who assesses the contracts—and I have been in this business long enough to know—would find that at least half of that money, probably 60 per cent of the money which is spent on public works, goes into the purchase and manufacture of machinery. On an $800,000 job, for instance, the total number of men employed might be eight, four on the front job and four on the back. The project might require two $120,000 machines which are made in the United States. All heavy construction equipment is made in the United States. This type of project, therefore, indicates the conventional type of thinking that municipalities still have. When conventional thinking got us into trouble, believe me conventional thinking is not going to get us out of trouble.

• (4:20 p.m.)

The municipalities could be doing a great deal by planning ahead. It is all too easy for the municipalities to carry on year after year with their projects, making no differentiation between programs with a high labour content and programs using machinery. By doing this, they land themselves into trouble. But many municipalities in British Columbia have overcome this problem by a little forward planning. They had planned certain projects which had a high labour content and did not depend on the federal government to make plans in the event of a cyclical downturn in the economy. They knew this was coming so they planned their projects, and the minute a loan scheme such as this came out they were ready. So was Quebec; but not Ontario, and not Toronto. They had no special projects planned.

Mr. Ryan: Metro has a $5 million one.

Mr. Otto: Yes, but the only other one I have a record of is this $1,700,000 project, most of which will be spent on equipment. It will put only 111 people to work.

There are other ways in which cities could do a great deal. They could overlook the restrictions they have imposed on employment. I am speaking of the requirements they have imposed whereby for the past four or five years a job must be done by a licensed repairman or a licensed fence mender. All these groups have managed to get themselves into a nice little corner. Only one person can build a fence around a house; only one group of people can put up an addition to a house; only one person can paint. That person has to be a member of the Metropolitan Home Repair Association and he must have a licence. There are many people who could undertake jobs now if the cities would only relax some of these restrictions.

Most important of all, Mr. Speaker, a municipality can be very influential in exuding confidence throughout industry. Let us say we are talking about winter works projects. The city of Toronto knows it is going to put in the Gardiner extension, as well as other highways. It could immediately ask for tenders for the material only. Inside two or three days it could get the tender prices and then say to the manufacturers of the pipes, the conduits, the manhole covers and the light standards, "You have yourself a job; start building up inventory." The only person who is going to solve this immediate problem of unemployment is the manufacturer. He is the one who must be given confidence to build up inventory. As soon as he is confident that he will sell his inventory he will rehire 15 or 20 people, or he will not lay-off the workers he planned to lay-off. The manufacturers are the ones who can solve the immediate problem, and it is the municipalities which can contact the manufacturers. This is the type of thing I would have liked to have seen recommended in this motion.

If we spend the rest of the day hashing over what has happened, crucifying the Minister of Finance (Mr. Benson), making him beat his chest and say "I am sorry", we will achieve nothing. We want ideas on how to get people back to work, and on how the municipalities can assist.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, there is no better description of the lack of regard for the disadvantaged citizens of our nation than the wording of this motion. I should like to quote that part:

> —the government's failure to foresee and take steps to provide for the escalating effects of its unemployment policy upon the social assistance funds of the provinces and municipalities and its failure to consult and co-operate with the provinces and municipalites in providing emergency financal support and employment programs.

The tragedy is that the people affected are those who cannot do anything about it, the poor. There are over 4 million of our citizens, out of a population of 21½ million, who continue to suffer more and more each day because the government, which is supposed to be concerned, took a deliberate line of attack against inflation in order to achieve an objective which it thinks is in the best interests of the country. It is awfully difficult for me to understand how any group of individuals, whether they be government or any other interested group of Canadians can, by design, treat individuals in such a cold-blooded fashion. The state must provide the opportunity for these human beings to earn a decent livelihood, not only because it is the duty of the state but because it is the responsibility of an elected body to govern to the best advantage of all citizens.

I have tried, during the short time I have been here as a Member of Parliament, to be reasonable in recognizing the difficulties which any government must encounter in facing the problems of a growing nation. But sooner or later, one must also recognize that even though all decisions cannot satisfy the majority, and at times must be unpopular to many, those in power have a duty to every citizen, not only to those who can provide for themselves but also to those who cannot. Let us forget politics for a few moments. Let us just consider the facts, even without going into the DBS figures which seem to be the basis of debate in the House of Commons.

This great Canadian nation, with natural resources which are the envy of the world, with wealth in minerals, in oil, in our forests and in our seas, elected a government charged with the responsibility of governing 21½ million people. Our population is not even big enough to take advantage of our wealth in resources, and yet this government, which has had the help of the greatest experts in science and technology, allows almost a quarter of our population to remain living below the poverty line. This government of ours governs by words. It governs by Speeches from the Throne. It governs by promises of things to come, and it has grandiose proclamations.

Members of the government have said, and I quote:

> We must ensure that every Canadian regardless of where he lives must have equality of opportunity... It is our duty to look after the poor and the disadvantaged... We will never succeed in our aims unless everyone—even those at the grass roots level become involved and participate in government—

What has happened since 1968? The cost of living keeps increasing; more people become unemployed; the weak get weaker, and with the policies of the government even the strong deteriorate in strength.

If I can mention my short experience here in this House and go back to 1968, it is not too difficult to recall the promises that were made by the government to help the disadvantaged. But here we are in 1971, and all the government has done has been to appoint study committees and royal commissions to find out what is wrong in Canada. In 1968 the Economic Council published a mountainous report on poverty in Canada and came up with the startling conclusion that poverty was real. What has happened since then? After three years, the government has come up with a white paper on social security. The other day one professor said it was a white paper on the insecurity of income security. Now, with a big kind heart, the government has agreed to increase old age pensions by 42 cents. It is true the guaranteed income supplement

will be more generous, but even then if two old age pensioners happen to be living together to enjoy their remaining years with a little comfort, $15 will be taken away from them because the masterminds looked into a computer and discovered that two can live more cheaply than one. All people in this country, including the poor, are now aware of the proper nourishment a body needs in order to exist. Yet, this government continues to have studies and establish commissions.

• (4·30 p.m.)

The Senate Committee on Poverty travelled across this country finding out about the poor. Where is its report? Now, a nutritional study is being carried out across the nation. The government even paid some $70,000 to allow the poor to hold a conference. I ask, what purpose is this serving? We know what the poverty line figure is. We know the cost of proper food and nourishment. We should know that those who are sick and disabled require a little more help. We know we must help the blind and the retarded. We are aware that our poorer children require dental care and proper vitamins. We know the deaf need hearing aids. We know that the poor people of our country live in deteriorated housing. Yet, we continue to study more. It is not too difficult to see the reasoning. These are nothing but delaying tactics. The government hopes that one day it will wake up and find that the problem has disappeared. This problem will not go away; it will remain with us. It is becoming worse every hour of the day just as surely as the cost of living is increasing every day. Strangely enough this government has all the answers to the problems of other countries.

The Prime Minister (Mr. Trudeau) tours the foreign countries and tells them what is wrong and how to solve their problems. We must help feed the hungry of the world. We do, thank God, and we should. We must help develop the poorer nations of the world. We do. We pour millions of dollars into the developing countries. We teach and help other nations to grow wheat and then we pay our farmers in the west not to grow wheat. When it comes to helping the poverty stricken of our own country, the stock answer is that if we are to provide more help for the disadvantaged taxes must be increased. This is a lot of hogwash.

What are the latest developments? The government held a conference with the provincial ministers who presented briefs outlining their problems. What will happen now? The government will consider the proposals of the provinces and then have new consultations. Another meeting is planned for June. What then? There will be more consultations and they will have to await a further study to study the previous studies. Around the circle they will go.

Just a few days ago the minister advised that there are inequities in the cutoff point for family allowances. This will mean further delays. The government has found a new phrase, "the tapering mechanism" which will reduce injustices in respect of those having large families and an income of over $10,000. How is it that this injustice was discovered only after the white paper had been produced? Where were the experts when these consultations were taking place?

Again, those to whom our masterful programs are directed will continue to suffer and their children will remain undeveloped as a fourth generation on welfare. What about our programs to produce employment opportunities in Canada? We sit here and legislate loan programs to help regional disparity in the provinces. These are some of the programs: There is the fisheries improvement loans legislation, the farm improvement loans legislation and the farm credit corporations of the provinces. Then, we have the small business loans and the industrial development banks. What affect have these programs had on the employment situation in Canada? Now, we have the regional development incentive grants and every day we hear reports concerning how many jobs are to be created. This great program has been in effect for almost two years. What is the result? In the Atlantic provinces, especially in Newfoundland, there is a study to see why this program is not working. It is not working because it is directed to the wrong people.

If the government wishes to conduct a proper survey to find out why these programs are failing, why does it not interview the people who have tried to obtain some of these loans, such as small businessmen who have initiative and knowledge concerning the natural resources in their areas? The government does not do this because it has no faith in the initiative and capability of its people. What is required is a little faith in Canadians. Why should we not invest some risk capital in Canadians who could start small industries related to natural resources. This would create employment opportunities across this country which would benefit the country. All that results is frustration, disillusionment and unemployment, which keeps rising day by day. A tragedy exists today in Canada in that one-fifth of our population requires help. I do not refer to help in the sense of words and fancy phrases, but rather help in the form of human consideration and immediate action to find the moneys required to overcome this tragedy.

I can only repeat, and remind everyone in this House, that thousands of human beings across this nation, both young and old, are suffering from undernourishment, lack of medical services and in a large number of cases, hunger. It is our duty to prevent this tragedy continuing. This will not be done while present conditions exist. I know the minister is concerned, and I know he has had difficulty in persuading the members of his cabinet to accept some of his recommendations. I urge him to continue his efforts in order to help the poverty stricken people in our country.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I regret that the House has chosen a motion such as this on which to spend an afternoon and evening because it is the type of motion that really cannot get us anywhere. If the government has done all the nasty things the motion claims, then surely to God we should hear what it should do so that we can get on with our business. If the government has not done all the nasty things, we will not get any further ahead in any event. So, I suggest it is

kind of a nothing motion. I do not want anyone to pick me up and suggest I am heartless about unemployment and do not give a damn. That is not the type of approach I am taking. The point is there is a real problem and people must search for real answers. If we are to receive help from members of the House, surely when there is an opportunity to present a motion which would bring about a really substantial debate on a really substantial and tough issue, opposition members could come up with something a little more promising than this.

I completely sympathize with the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). When I get a little further along in my remarks I believe he will see that he and I have a little in common. I wish, however, there was some evidence that the recognition of a common problem would start to bring forward some common solutions. It is a funny thing that the government is condemned for lack of foresight here when it seems to me a year ago when inflation was the so-called enemy, we were telling the provinces and the municipalities that if they did not co-operate with us inflation would be prolonged and the fight would become more difficult. Yet, the provinces and the municipalities went along their merry way and kept the fires stoked, so here we are.

An hon. Member: People were starving.

Mr. Osler: No one was starving then any more than now. There is a difference between starving and being out of work. Very few people are starving, thanks to things such as the welfare schemes and so on.

An hon. Member: Who is to pay the welfare costs?

Mr. Osler: Listen awhile and you might learn something. Anyway, a year ago the government tried, without very sound results, to get the provinces and the municipalities to co-operate. I seem to recall that one member on this side spoke of a province that has failed, for its own reasons, to co-operate with the federal government, which is trying to help in the unemployment situation. Nevertheless, I say that when the premier of my province, whom I admire personally, stepped off an aircraft after returning from the Federal-Provincial Conference a little while ago and said that the federal government is doing absolutely nothing to help Manitoba to fight unemployment, there is only one word that can describe his attitude. With all respect to the Premier of Manitoba, his statement is absolute "balls".

• (4:40 p.m.)

An hon. Member: What is that?

Mr. Osler: Balls; absolute balls.

Mr. Gilbert: That is another four letter word.

Mr. Osler: As long ago as June, the federal government stepped up the transfer of tax revenues to the provinces. Manitoba got $12.5 million. Later, an extra $23.4 million was made available for vocational and training schools. The province does not have to spend that money on schools until 1975; in the meantime, it can spend it on any damn thing it likes in the fight against unemployment. In addition, the province obtained $8 million out of a $160 million loan set aside for the creation of projects to fight unemployment. How our Premier of Manitoba can argue in Winnipeg that we are doing nothing to help my province in the fight against unemployment, I do not know. When he says that the federal government has done nothing to help the people of Manitoba, that is, just as I said before, "balls".

Mr. Gilbert: There it is again.

Mr. Osler: Yes. I hope the hon. member can spell the word.

Mr. Gilbert: There seems to be a great shortage of vocabulary around here.

An hon. Member: That vocabulary is being expanded.

Mr. Osler: Perhaps the hon. member's vocabulary is being expanded these days. In any event, it is nice to see the hon. member's education being furthered. It has been suggested that the government is doing nothing in the field of social assistance. It is my understanding that the federal government pays approximately half of almost all social assistance costs, and it certainly pays all of the unemployment insurance costs. The benefits of these have been raised by 10 per cent and will be raised considerably more as soon as the House will let us get on with the job. In any case, the federal government has made available loans and grants for provincial and municipal use, as everybody knows, including the Premier of Manitoba. It does not help when the premier of my province goes around saying that nobody is doing anything to help his province, when in fact the reverse is true. All indications show that our present situation is improving. On the other hand, it will not improve much more quickly, no matter what anyone does in a panicky way in trying to accelerate the improvement.

The thing that disturbs me is this. This is an allotted day for the opposition. The opposition has sufficient money with which, presumably, to employ competent research assistants. Surely, it could really examine the situation and come up with something worth while. We do not need to know the details of any opposition proposals; that would be against the game. It is the opposition's privilege to wait until it goes to the people to say how it would go about solving this problem. All we want are the broad brush strokes of suggestions; we want to know how they think some of these problems ought to be solved. In this country there is a long term problem; yet nobody on the opposition side of the House seems even to have recognized the fact.

An hon. Member: I see only eight opposition members present.

Mr. Osler: Only eight of them are here, and these are more intelligent looking than some of the others.

An hon. Member: That doesn't say much for the opposition.

Alleged Non-Support of Employment Programs

Mr. Osler: On an afternoon like this, when the opposition is given time to discuss these problems in this House, could it not spend some of its time proposing some long term solutions? Could it not tell the House what it thinks the long term solutions are to our problems? What do opposition members think ought to be done to alleviate this unemployment situation? After all, this is the opposition's day. They talk about policy by castigating the government for failing to foresee the escalating effects of its unemployment policies. I say to the opposition, this is your day; why not do a little foreseeing yourselves. Why do you not make some suggestions so that we can prevent this situation in the future?

Mr. Orlikow: We did last year and you ignored them.

Mr. Osler: It is a damn good thing that we did.

Mr. Ricard: We told you what to do.

Mr. Deputy Speaker: Order, please. May I respectfully suggest to hon. members that they continue their very interesting discussion through the Chair.

Mr. Osler: Yes, Mr. Speaker. I appreciate your point. It seems to me that it is the long term questions that are outstanding. I should like to hear several questions asked by the opposition. The hon. member for Winnipeg North (Mr. Orlikow) came close to asking one of them. For instance, I would ask, is a ten-year average of an unemployment rate that is close to 5 per cent in Canada good enough? No, I say; it is not good enough. The hon. member for Winnipeg North suggested that 3 or 4 per cent would be acceptable, perhaps. I agree with him; but we might not be able to bring it down to 3 or 4 per cent. Let us consider what would happen in our federal structure. If there were 3 or 4 per cent as an average in the whole country, there would probably be less than 1 per cent in Ontario, and the place would boil over.

Mr. Orlikow: What is wrong with that?

Mr. Osler: You would get a great inflationary boom starting in Ontario, and the people in the Maritimes as well as people everywhere else would consequently suffer.

Mr. Gilbert: Tell us about the FLQ; was that not brought about because of unemployment?

Mr. Osler: It would be useless telling the hon. member about the FLQ; he did not recognize them as a problem last October.

Mr. Gilbert: Please tell us.

Mr. Osler: The point I am trying to make is this. We have a federal system in this country. If you want to see an "ideal" national unemployment rate of 3 per cent, 4 per cent or any other rate and not see a 10 per cent unemployment rate in Newfoundland, or a 15 per cent rate in parts of Quebec, what will you do? How will you get employment spread across the country properly? Will you do as Walter Gordon suggested, dump the whole thing on Ontario and to hell with the rest of the country? Will you be a federalist or a centralist? Do you want everyone to live around Toronto, where the money is? Frankly, I should like to know, Mr. Speaker, what the members of the opposition feel? How do they think we can get our unemployment rate down to 3 or 4 per cent and keep it there? That is what I should like them to tell us.

Another question I should like answered is this: how can we improve on this situation, without heating up the centre or cooling off the extremeties to the point of freezing? Can we keep the centre reasonably cool without freezing the rest of Canada? Do we need wage and price controls?

Mr. Skoberg: What about profits?

Mr. Osler: The hon. member would not understand profits and there is no use whatsoever in our discussing them with him. Members of the NDP do not understand profits. We should not waste our time explaining this subject to them.

An hon. Member: The hon. member wants to keep wages down.

Mr. Osler: In New Zealand, a wage stabilization policy, intended to limit wage increases sought by New Zealand trade unions to 7 per cent for the coming year, will be endorsed by the New Zealand parliament. That statement is carried in the *Globe and Mail* of February 25. I am not saying whether that is a good or a bad policy; I am merely saying that that is the kind of question that ought to be asked. It touches on our problem much more directly than does this wish-washy motion. It would be awfully good if the opposition would discuss our problems and give us ideas, so that we might know how the opposition would deal with the problems and solve them in the long term.

Should trade be "free"? Are those hon. members for free trade or against it? Can we afford to have imports worth $700 per Canadian, when the United States imports only $180 per capita and Japan only $150? It is important to remember that we import a great deal; on the other hand, perhaps we must import when we export so much per capita. Those are the sorts of problems I want to hear about from the opposition. They touch on our long term welfare as a nation.

How can we get a higher labour co-efficient into the dollar value of our manufactures? We have many people saying that we should not give our raw materials away. Let us hear concrete proposals to show how we are to inject more Canadian labour content into the products of our industries. How will you attract capital? How will you force industry to do more processing here? Let us hear from hon. members of the opposition. These are the problems which must be solved. Should we rationalize more of our production effort, to increase our volume? In other words, should our anti-trust laws be changed or not? Are these laws good enough? Are tariff policies relevant in light of the activities of multi national corporations throughout the world? Do some hon. members

feel that tariff policies in the present day are out of date? What is their approach to this? We want to hear from these up-and-coming fellows. We want to know what they think about these matters, and what effect they think they will have on the long term picture of unemployment.

How are we to improve conditions in this country unless we find some way of fitting into the developments in Europe? I am talking about the European economic community and Great Britain, which wishes to join. Should we have a continental energy policy?

An hon. Member: What do you think?

Mr. Osler: Should we try to get into the "Pacific rim"?

An hon. Member: What do you think?

Mr. Osler: I did not propose this motion. I am just saying that I wish the motion had been amplified in this way. I am doing some thinking on this subject. I am trying as hard as I can. However, I am not going to throw it away on an opposition day. I am going to talk about it in caucus and other places where intelligent people might listen. But these are the sorts of things that should be brought up during debate if hon. members are intelligently concerned about the over-all problem.

• (4:50 p.m.)

Instead of saying "gloom, doom and things have to get worse, and we hope to hell they do get worse, for if not we will be wrong," we must tackle this problem at three levels. There is an immediate level, a mid-term level and a long-term level. I have heard very few suggestions about any of these levels. Perhaps we could attract some of the provinces that are reluctant to deal with unemployment by suggesting a "forgiveness" clause of all the labour contained in the federal loan if they will get on with the job. It would be a little more imaginative than the loan which the government has made available and of which some have not taken advantage. But there can be very little additional figuring than what is being done at present to get out of the present situation.

The mid-term is going to be upon us very shortly. Municipal and provincial bodies should be encouraged to assemble an inventory of public works so that next time they will be ready when public works are again required. Instead of having a three, four or six month lead-in time—

The Acting Speaker (Mr. Richard): I regret to interrupt the hon. member, but his time has expired.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, this government has often been compared, and rightly so, with that character made famous by Stephen Leacock, who jumped on his horse and galloped off in all directions at once. How many times have we heard contradictory statements issuing from different ministers? I need only refer to the most recent one, the bumbling and fumbling over the Francophone decision, to illustrate what I mean by the mixed up attitudes this government adopts toward a national policy.

Alleged Non-Support of Employment Programs

Unfortunately for the country, there is one area in which the government has been consistent. It has been consistent in its stubborn insistence in carrying out economic policies which have been recognized as outmoded and ineffective by everyone but their own befuddled experts. It has been consistent in demonstrating to the country the true meaning of the phrase "participatory democracy". The greatest number of Canadians in history are now actively participating in the hopelessness and despair of—unemployment—deliberately created by the policies of this government.

The government has been consistent in its blind refusal to consult with provincial and municipal authorities before embarking on projects which can only add to the tax load and welfare burden of these municipalities. These policies have placed staggering financial burdens on the municipalities. Because of the desperate plight of these local governments and the necessity for federal action to alleviate the results of federal policy, I am pleased to support the motion of my colleague, the hon. member for Spadina (Mr. Ryan).

When the Prime Minister (Mr. Trudeau) made the statement a year ago that if his policies created 6 per cent unemployment, it was too bad and the unemployed were a regrettable side-effect, I wonder if he actually realized how many of these "regrettable side-effects" there would be in February, 1971. Is the Prime Minister so cruel and heartless that he can look on some 700,000 to 800,000 Canadians as side-effects or is he just all fuddled up? While he and his colleagues play the numbers game, close to a million Canadians are broke, disillusioned, and in many cases hungry. The municipalities are desparately looking for new funds to take care of the ever increasing relief rolls.

Let us look at what the government's programs have done to the provinces and municipalities. Just this week Premier Bourassa of Quebec placed a great share of the blame for the problems his province is having with unemployment on federal policies. He flatly stated that there should be more co-operation between provincial and federal authorities, as suggested in this motion. The hon. member for Spadina spoke about the burgeoning welfare costs in metro Toronto which may reach close to $100 million in 1971. This estimate was recently made by North York controller Paul Godfrey. This problem of how to handle ever increasing welfare costs is not confined to the cities.

One thing emerged from the recent welfare ministers conference in Ottawa, overshadowing all else. That was the fact that the heavy unemployment resulting from a national anti-inflation policy had placed a tremendous burden on the tax revenues on the municipalities. The provinces and municipalities are carrying an undue share of the cost. Also emerging was the clear duty of the federal government to take two immediate steps. They should increase unemployment insurance benefits immediately, as well as their share of welfare payments under the Canada Assistance Plan.

The Hon. Brenda Robertson, minister of youth and welfare for New Brunswick, spoke out for her colleagues

in the economically depressed Atlantic provinces. She called for a direct infusion of funds to combat the effects of hight unemployment of their welfare systems. Mrs. Robertson suggested a novel approach to provide extra funds to any province where unemployment rises above the national average. While Mrs. Robertson said that the minister had not turned her down, she expressed concern about the delay in acting because the province's needs were immediate, and when national unemployment is high, regional unemployment is much higher.

When addressing the constitutional conference a few days later, the premier of New Brunswick amplified the remarks that Mrs. Robertson had made. In pointing out the difficulties that a province with high tax resources has in combating exceptional costs, he stated that in a reasonably depressed area, the unemployment problem has two dimensions. There is the chronic long-term problem at home the current problem of high unemployment which exists because of national policies. He said:

> In New Brunswick, unemployment rates have been too high for too long. Not since 1953 has our annual average rate fallen below 6.5 per cent.

• (5:00 p.m.)

He then went on to talk about the current situation. As he said, we find ourselves in an unusual position. A program intended to combat inflation is at the same time causing serious unemployment. As the premier said, we did not cause inflation. This is true of regionally depressed areas. These areas do not contribute to national inflation. Yet now, in the premier's words, we are paying a disproportionate price in combatting it in Canada; the cost of the trade-off between inflation and unemployment has been too high. The premier went on to emphasize once again, as we are seeking to do in this debate, that unemployment has been deliberately created by this government in the pursuit of a policy which has in some cases doubled welfare costs. It is, therefore, up to the federal government to reimburse the provinces in respect of these expenditures.

If anyone had been in my province in the month of January, he would have read almost daily reports from a provincial task force on social development. The hearings held by this task force demonstrated more clearly than I can the plight of the poor in New Brunswick. For example, it received testimony that 53 per cent of the residents of Laviolette and Allainville in Gloucester County were on the social assistance rolls in one way or another. How on earth can a municipality with a very limited tax base handle welfare costs when 53 per cent of its residents are on welfare?

The hon. member for Winnipeg South Centre (Mr. Osler) told the House that we on this side do nothing but complain all the time without offering any constructive advice. I was surprised to hear him make such a statement. As I observed in an aside, who would listen? To me, the greatest tragedy is the fact that the government considers itself omnipotent and will not accept suggestions made to it. The government has consistently refused to accept advice. I can understand its reluctance to accept advice from the opposition, but what about the opinions

expressed by large numbers of leading bankers, businessmen and economists who have consistently told the government that it was committing economic overkill and that it should try to put more people to work by adopting realistic tax policies which would encourage the private sector to expand.

Here we are in the midst of a whole new set of economic indicators—high interest rates along with high savings and high exports. Yet we are also faced with the highest unemployment figures in history. In the face of this changing economic picture the government has clung to outdated theories and consistently refused to accept advice. Is it any wonder that we on this side are inclined to criticize rather than offer advice, since we know that our advice would be ignored just as the advice of all thinking Canadians is ignored?

How different is the approach of President Nixon in the United States to this dilemma. I am no apologist for President Nixon and I do not say his theories are necessarily right, but I do want to draw attention to the difference in approach. At least, President Nixon sees that the old economic theories are not working and is prepared to try something new. I should like to quote a few excerpts from the State of the Union address. The president said he wanted Congress to take action on more than 35 pieces of proposed legislation which were still waiting to be passed and that there were six areas which he felt were critical to the nation. The most important of these, he said, was welfare reform.

> The present welfare system has become a monstrous, consuming outrage—an outrage against the community, against the taxpayer, and particularly against the children it is supposed to help. Now we can honestly disagree, as we do, on what to do about it. But we can all agree that we must meet the challenge not by pouring more money into a bad program but by abolishing the present welfare system and adopting a new one.

A little later on in the speech comes what, to me, is the "meat" of the president's approach:

> Let us also establish an effective work incentive, an effective work requirement. Let us provide the means by which more can help themselves. This should be our goal—
>
> The second great goal is to achieve what Americans have not enjoyed since 1957—full prosperity in peacetime.

Here, President Nixon is opening new fields of economic activity.

> The tide of inflation has turned. The rise in the cost of living which had been gathering dangerous momentum in the late sixties was reduced last year. Inflation will be further reduced this year. But as we have moved from runaway inflation toward reasonable price stability, and at the same time, as we have been moving from a wartime economy to a peacetime economy, we have paid a price in increased unemployment.

And here are words of advice for the government, which excuses itself on the ground that at one time or another the situation was even worse:

> We should take no comfort from the fact that the level of unemployment in this transition from a wartime to a peacetime economy is lower than in any peacetime year of the sixties. This is not good enough for the man who is unemployed in the seventies. We must do better for workers in peacetime and we will do better.

To achieve this I will submit an expansionary budget this year —one which will help stimulate the economy and thereby open up new job opportunities for millions of Americans.

This is an approach which the government cannot understand.

It will be a full employment budget, a budget designed to be in balance if the economy were operating at its peak potential. By spending as if we were at full employment we would help to bring about full employment.

I reject the accusation that we on this side have done nothing but criticize, that we have failed to offer workable alternatives. Through our leader, the hon. member for Halifax (Mr. Stanfield), we were suggesting as long as a year ago that the government should immediately extend unemployment insurance benefits to bring temporary relief to Canadians out of jobs. We said there was immediate need to put more money into the hands of Canadian consumers, a course which would considerably stimulate the economy generally. As part of this suggestion, we advocated the removal of the 3 per cent surtax and proposed a selective reduction of personal and corporate income tax to get the economy moving again.

Some hon. Members: Hear, hear!

Mr. John Gilbert (Broadview): Mr. Speaker, the great Galilean carpenter once said that some have ears and cannot hear and some have eyes and cannot perceive. After listening to the hon. member for Winnipeg South Centre (Mr. Osler), I think those remarks are directly applicable to him. For him to say that the opposition has not put forward ideas for solving the unemployment problem shows that he has neither ears to hear with nor eyes to perceive with. Had he been listening, he would have heard all quarters of the opposition recommending tax changes, increased exemptions for single and married persons which would mean a tax saving for the people and rejuvenate the economy. If he had heard some of our members, more particularly our financial critic, he would have heard some of our ideas with regard to depreciation allowances and tax holidays. I am really surprised that the hon. member for Winnipeg South Centre would make such a speech. It seems to me he should straighten out his thinking and also clean up his language in the speeches he does make.

• (5:10 p.m.)

The question of unemployment, and the tremendous impact it has had on municipalities across the country, is one of the most important matters that could be debated during the session. It is easy to say that there are 668,000 unemployed as of the month of January, that there are 100,000 on a retraining program, bringing the total up to roughly three-quarters of a million unemployed, but one has to be unemployed really to appreciate what it means.

It is those in the cities who are the hardest hit. Can you imagine, Mr. Speaker, a company like Massey-Harris almost jokingly saying: "We are laying-off men because it does not fit within our profit picture to keep them on"; or: "It does not fit within the financial scheme the government has regarding valuing our dollar"? A few months ago 600 men in my own riding employed by Dunlop were "turfed out" practically overnight as a result of a change in policy by its foreign parent company. This is what unemployment means.

Why is it that Canada has the highest unemployment rate—6.6 per cent seasonally adjusted—and the lowest productive growth rate in the western world? Great Britain is worrying about an unemployment rate of 3.2 per cent, yet we have 6.6 per cent. There are probably many other reasons for this, but two reasons are, first, the constitutional attitude of the Prime Minister (Mr. Trudeau), and, second, the fiscal and monetary policies of the government.

If I may deal with the second reason first, the fiscal and monetary policies of the government, the Prime Minister and his cabinet deemed it wise, if we were to check inflation, to create unemployment. Did they not realize that they were making human sacrifices in order to solve financial problems? What a price to pay! People are put out of work while the government attempts to solve the problem of inflation. Not only does a worker lose his income, his dignity and his respect; his wife and children are placed in jeopardy and the whole family suffers psychological damage. These are some of the facts of unemployment.

I have been asked by young students why they should continue at school if there is no work available for them when they leave. I read in the newspaper that the University of Toronto has indicated that there has been a 30 per cent drop in the number of jobs for graduates and has recommended that they seek work in other countries, such as Germany, France, Sweden. So, we have arrived at this situation: no employment opportunities for our graduates, and the recommendation that they seek work in other countries. Is it any wonder that the youth of today are banding together and questioning the value of the system under which we live?

The first reason I gave was the constitutional hang-ups of the Prime Minister. His constitutional views are crucifying Canadians. Since he regards the municipalities as creatures of the province, he tells them: "Don't look to me, look to the province". Such an attitude is legalistic, cold, callous, indifferent and disgusting. Is the Prime Minister trying to balkanize the cities of this country? What has happened to his great election phrase "the just society"? What about national unity? Is the Prime Minister going to permit the constitution to deprive us of a united country? Is he going to deprive us of a just society by treating the main centres of Canada as though they do not exist, by treating them merely as creatures of the provinces instead of as a part, and an important part, of the general whole?

The hon. member for Spadina (Mr. Ryan), in introducing the motion, outlined the picture prevailing in Toronto, which is both dark and gloomy. The same could be said with regard to Montreal, or Victoria, B.C., or Winnipeg, or Peterborough—any of the large cities of this country. I would say that Mayor Dennison and his council should be given credit for bringing forward and into the open the question of unemployment in the cities. I also add that probably Mayor Dennison and his council should consider themselves very naïve if they think that Mem-

bers of Parliament have a pipeline into the cabinet, especially to the Prime Minister.

Liberal members from Toronto are afraid of the Prime Minister, and I ask why this is so. They recall the treatment received by the hon. member for Trinity (Mr. Hellyer) when he attempted to put forward a suggestion arising out of the task force report on housing with regard to giving aid to municipalities to form land banks so that the cost of land would be cheaper and as a result so would housing. The hon. member for Trinity was given the Siberian treatment, and he now sits in the corner like a sulking boy while the Prime Minister sits there like a gloating... What shall I say?

Mr. Knowles (Winnipeg North Centre): Orang-outang.

Mr. Gilbert: Yes, orang-outang. The Secretary of State for External Affairs (Mr. Sharp), who represents the constituency of Eglinton, is also afraid of the Prime Minister. He says: "Why should I speak on behalf of the city of Toronto? I have been a civil servant for many years and had a rough time as Minister of Finance. I had a terrible time lifting the 6 per cent ceiling on the bank interest rate, and what an impact that made". Certainly, the minister has had a very difficult time as minister of External affairs. So, he says: "Why should I become involved in the problems of the people of Toronto? Why should I speak out on behalf of the people on the unemployment problem? Here am I, at my last turn, so why should I annoy the Prime Minister?"

Mr. Sharp: What a speech! Deal with the facts.

Mr. Gilbert: Let me talk about another Liberal member from Toronto, the hon. member for York West (Mr. Givens). The Prime Minister treats him as a professor would treat a grade one schoolchild. He is a former mayor of Toronto, yet he is ignored and snubbed. Is it any wonder that he is not here today to participate in this very important debate? We of the opposition are trying our best to point out to the government the shortcomings of their policies, and the Prime Minister treats us as he treated the Lapalme workers.

I want to deal with an organization set up by the Liberal party to deal with problems in Toronto. This body was given a very fancy name, METPAC, which stands for Metro Planning Action Committee. At the first meeting of this group, they had a great number of books containing a large amount of information. They met with the mayor and the councillors and said there must be liaison between the federal and municipal governments. There was a meeting a week ago in Toronto at which the hon. member for York West (Mr. Givens) revealed what METPAC is all about. He said it is only a consultative body set up for the purposes of discussion. There is no power, there is no input and there is no pipeline to the government. This is what we have.

• (5:20 p.m.)

Let me deal very quickly with the situation in Toronto. It has been said there are between 50,000 and 60,000 unemployed in Toronto. There is a tremendous number of people on the welfare rolls in that city. As has been pointed out, if we do not extent the date for the unemployment seasonally adjusted benefits from May 15 to an undetermined date, 10,000 more will be on the welfare rolls. This was one of the two main points referred to at that meeting in the city of Toronto. The meeting requested an extension of the seasonal unemployment benefits from May 15 because of the so-called time lag factor relating to the policy the government has introduced to solve this unemployment problem. Surely, that is not an unreasonable request. I hope the Toronto members, especially the Secretary of State for External Affairs, will persuade the Prime Minister that this is a reasonable request. If anyone has any influence on the great one, it may be the Secretary of State for External Affairs.

Some hon. Members: Oh, oh.

Mr. Gilbert: That was the first point set forth. The second point set forth was that some work programs should be initiated. It was said that between $3 million and $3,500,000 was required to solve the unemployment problem. The suggestion was that this would not resolve all unemployment in Toronto but would at least be a start, would give the unemployed some confidence and perhaps would have a multiplier effect.

It was then suggested at the meeting that if the government cannot give a direct grant, for goodness sakes, it should get into a cost-shared program in respect of these works. I should hope that the minister will forget some of the problems he faces in respect of other parts of the world and pay more attention to those problems that prevail in the city of Toronto. He has done a very poor job in respect to some world problems. Surely, he can regain some of this reputation if he considers some of those problems that prevail in the city of Toronto.

Let me have one moment more, Mr. Speaker, and I will be finished. I hope all cities across the country can be cities of which we are proud. They should have beautiful buildings, factories with people who work and have homes. This is what I would really like. What have we got? We have many cities, including Toronto and Montreal, which are known as human zoos with improperly planned buildings, unemployed people, pollution and dirt. It behooves me and all members of the House, more especially the Toronto members and the Secretary of State for External Affairs, to exert some influence in order to get ministers, such as the Minister of National Defence (Mr. Macdonald), to do something in order that we might have better cities and a better country in which to live.

Mr. Hu Harries (Edmonton-Strathcona): Mr. Speaker, I know it is very inviting to try to lay the total blame in respect to unemployment at the doorstep of government policy; more particularly the anti-inflationary measures that were adopted about a year ago. In my opinion, to do so is to ignore some of the facts the evidence so clearly points out.

Unemployment in Canada today can be attributed in part not to government policy in Canada but to the very direct connection our economy has with the economy of the United States, and to the economic problems faced by

that country today. It has been shown on numerous occasions that the direction of the Canadian economy is strongly influenced by what happens south of the border. It is virtually impossible to have a relatively high unemployment rate in the United States without having a similarly high unemployment rate in Canada.

With the greatest respect, I suggest that the opposition attempt to attribute the present unemployment situation to the anti-inflationary measures adopted by this government around a year ago ignores the parallel situation in the United States. We must make Canada more independent of the United States' economic influence. What can we do to make the Canadian economy more independent? What can we do to make employment, and unemployment, in Canada more directly controllable by the Canadian government, whether it be at the federal, provincial or municipal level?

First of all, I suggest that the white paper on taxation contains suggestions which provide for the development of a measure of independence for Canada. I am hopeful that when the minister brings down his legislation for a revised tax program it will very clearly place Canada and Canadians in a preferred tax position. That is not the situation today. There is a growing opportunity for Canada to stand on its own feet, but we cannot stand on our own feet if we insist on being hired men, or overseers, for investors across the border. One way to insure independence is to have major fiscal and financial independence. This can be done by developing an appropriate tax system. Sometimes I am amused by the suggestions of members of the NDP. They seem to think we can have an independent Canada by legislation, in spite of the consequences of the restrictive economic policies they advocate. This is just not possible.

I am particularly pleased to see the Canada Development Corporation legislation before this House. This is one way in which Canada can gain more control of her own destiny. Also, I think it is appropriate to mention that the greater control of Canadian financial institutions by Canadians is vitally important to a more complete control of the Canadian economy. Here again, this government has taken some impressive steps.

It has been suggested that in a period of relatively high unemployment it is not appropriate to encourage students to continue their education. It is very easy to discourage them and we must not do that. A number of studies have been carried out—I refer particularly to one done recently by the Economic Council of Canada—which show that one of the things lacking in Canada is a well-trained management group.

• (5:30 p.m.)

It seems to me that this government has gone further than any other government in this country to ensure that the benefits of education are made available to our young people to the greatest possible extent, particularly in management training, so that we can provide the talent necessary to operate the economy at a full-employment level. Also, the retraining programs that have been instituted—and there have been many references to them—are not substitutes for productive employment but rather, I suggest, equivalent to productive employment. I think it is quite wrong to add to the unemployment figure the number of people who are on retraining programs, and thus to imply that this is a substitute for productive employment.

Some hon. Members: Hear, hear!

Mr. Harries: Surely that cannot be the case. What we are attempting in Canada—and I think the government deserves full credit for its efforts in this direction—is to upgrade the talents and techniques that we employ, so that people will have an opportunity not simply to be employed but to be employed at a level that is the highest they can attain.

It seems to me that instead of thinking in terms of reducing retraining at any time, we should step up this program. Tax arrangements should be made which will encourage the individual and make it economically attractive to him to seek retraining, not just when his present work opportunity diminishes or disappears but as a matter of standard practice in exactly the same way as with capital equipment. There is much to be gained for Canada generally by this sort of program.

If the observations made today are not to be restricted to the urban area of the city of Toronto, I suggest to hon. members that the problems of the urban areas have been recognized and the government has made some excellent efforts to deal with them. I refer particularly to the fact that at a time when even in western Canada there is a strong trend toward the urban cluster, we succeeded in meeting some of the social and economic problems which arise from concentrating many people without employment into relatively few urban areas. I am referring, for example, to grants made for studies. One of these studies was completed in the city of Edmonton a month ago. I am referring to studies directed at trying to establish the type of socio-economic programs that can be effected to reduce the hard core of unemployment which results from the aggregation of unemployed in urban areas.

In other words, we may well be playing a game with statistics—this is shown in part in this study—where we find there is a higher level of unemployment than previously only because unemployment in an urban area is clearly visible. Unemployment is not so clearly visible in areas such as north central Alberta. So what you do is bring these people into urban areas where unemployment becomes visible. Fortunately, however, at the same time as it becomes visible it is also possible to take steps to give these people an opportunity for employment. I believe that here again this government has followed intelligent programs, some of them experimental in nature.

Another aspect that commends itself with regard to the urban problem is the development of a more satisfactory environment. I believe we will have to recognize that simply talking about environmental improvement is not sufficient. We will have to recognize that people previously employed in production will more properly now be employed in solving problems associated with improvement of the environment. As such they can be considered

as part of the labour force, and indeed a most active and useful part of that force.

I conclude that one has to reject the harping with respect to unemployment and recognize that it is in part a spillover from the United States which we will be subject to it until we achieve more complete control of our economy. I am happy to say this government is actively pursuing that goal.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, at the outset I should like to congratulate the previous speaker. I think my party's whip will agree to give the hon. member ample notice before the next opposition day so that he can be here to make another fine speech.

I am proud to support the motion so ably presented by my colleague, the hon. member for Spadina (Mr. Ryan), in which he condemns the government for its failure to foresee and take steps to provide for the escalating effects of its unemployment policy upon the social assistance funds of the provinces and municipalities, and its failure to consult and co-operate with the provinces and municipalities in providing emergency financial support and employment programs.

It is an old story: the unfortunate aspect of this government's blundering is that the poor people of Canada suffer the most. Poor people always seem to end up on the other end of the stick. When there is a mild economic recession it is the poor people who are most severely hurt and find it most difficult to recover, both socially and economically. Paradoxically, it is the poor who as consumers naturally have less money to spend but are paying more. Their inability to earn a decent living is only one side of their economic plight. Also important is how they spend what little income they have. If they are paying more for the goods they buy, they are being denied the benefits of their earning power.

• (5:40 p.m.)

There are two ways in which the poor are paying more for goods and services than more prosperous Canadians. First, they are using a larger percentage of their disposable dollars; second, they are often paying higher prices for goods and services. With cash resources inadequate for even immediate necessities, the poor person cannot time his purchases to take advantage of special sales. He cannot buy in bulk, although this would keep regular, basic costs down. He cannot buy quality with resultant long-term savings because he cannot afford the immediate larger cost. He cannot do effective comparison shopping because of the additional transportation, baby-sitting and other costs involved.

The poor person's lack of ready cash may limit him to buying at stores which will supply credit, usually neighbourhood stores which cater to the low-income consumer market. The low-income consumer is rarely eligible for the standard credit arrangements of larger department stores and has to buy his credit at high-risk interest rates. He then faces increasing and overwhelming credit costs in debt consolidation arrangements.

The last two points raise the most important aspect, and that is the institution of credit so far as low-income

Canadians are concerned. The poor people of this country, as indeed poor people of all countries, entered the mass consumption society through the use of instalment credit and they have been victimized by fraud and deception which have accompanied this method of selling. One of the major problems of persons buying on credit involves merchants and credit companies which fail to live up to their ethical and legal obligations. Many such practices by merchants are illegal but nonetheless they continue.

When a merchant fails to respect a guarantee, the consumer is more likely to lose his initial investment than to obtain justice. In part this is due to his ignorance of the laws which protect him and of the agencies which can help him. But the inequality also stems from the merchant's superior resources. He can turn the job of collecting overdue accounts over to lawyers, collection agencies and the courts. On the other hand, the consumer, especially if he is poor, lacks the resources and the professional advice necessary to defend himself properly.

Poor people are unable to contest claims in court and in most cases they lose financially by not contesting them. I have been told by court officials that the overwhelming majority of consumer credit claims are uncontested. In such cases the creditor is entitled to judgment for the amount of his claim, together with his taxable costs. As a rule he is not required to prove the claim, the theory being that the debtor by failing to contest it has in fact admitted its validity. Consequently, even if laws exist to help the overcommitted consumer, the costs to him may be equally high whether or not he uses those laws.

The best shopping skills, the most exhaustive consumer education program and a fair, open and protected market place can alleviate only some of the discomforts of poverty. The essential problem is lack of income. Until poverty itself is eradicated, only limited solutions can be found for the consumer problems of low-income Canadians. This, of course, takes us to the problem of unemployment and the subject of the motion we are debating this afternoon. I think that most Canadians have pretty well received the message that the government's anti-inflation policies have created a high level of unemployment, probably the highest within the past ten years or more. This high level of unemployment, encouraged and indeed brought about by the government, has had a disastrous effect on a large segment of our population. It has also imposed an unbearable burden on provincial and municipal budgets.

It is a well known fact that a country can never hope to achieve its potential prosperity or a high level of economic maturity so long as a major segment of its population remains non-productive. I can speak with some authority concerning the province I represent. When you have 20 per cent of the population in any part of Canada forced by economic circumstances and legislative restrictions to live off the fat of an already flabby economy, then that society is indeed in trouble. Add to that another 7 per cent, 8 per cent or 9 per cent of the population who through no fault of their own are forced

to accept unemployment insurance and I think, Mr. Speaker, you have to agree that we really have a problem.

I suppose we are experiencing something entirely new in the history of our nation. Our people have been forced to endure a major economic recession and its resultant misery and poverty, deliberately caused by their government. As the Toronto *Telegram* so appropriately captioned a story in its February 24 edition, "It's Your Recession, Mr. Trudeau." Of course, we must not forget the Prime Minister's ally, the modern-day Robin Hood in reverse, the Minister of Finance (Mr. Benson). I think that most people who sit in this House and most people who fill the galleries know the contemptible arrogance displayed by the Prime Minister (Mr. Trudeau) and his cabinet, particularly the Minister of Finance, toward the problems facing Canadians, especially those who are unemployed and are forced to accept welfare.

I brought with me into the chamber some files containing letters I have received from constituents during the past three or four weeks. They are from people who have very serious problems. I will read one of them. It is from a woman who says:

> My house is falling down. The room where my boy has to sleep isn't fit to live in. The walls are full of holes. The mattress on the bed is falling apart from dampness. We don't have enough bed clothes. I am getting $120 a month to support my family.

I am sure other hon. members are getting letters like that. Here is another letter from a widow who is living with a mentally retarded daughter. She writes that she does not have a bed fit to sleep in, that the springs are popping up and that she has to put boards on the mattress. They do not have adequate clothing and their house is leaking.

These are gut issues, Mr. Speaker. My riding is not different from most ridings in Newfoundland. We have poverty in it and too much unemployment. Close to 100,000 people in my province are on some kind of welfare, whether short or long-term. These are the people at whom the Minister of Finance and the Prime Minister shrug their shoulders in total indifference and say, "Fuddle-duddle." They act as if everything were going well. In fact, in his budget speech the Minister of Finance said we are on the move again and the economy is on the upswing.

• (5:50 p.m.)

I should like the Prime Minister and the Minister of Finance to take time out and try to convince the people referred to in these files that things in Canada are on the upswing and are rosy, because I do not think that is the case. The Prime Minister and his ministers are not fooling the Canadian people; they are only fooling themselves. They are not being honest with the Canadian people when they try to put across the idea that things in Canada are rosy and that the economy is on the upswing.

I do not know how far people can be pushed or how much patience they can exercise. This government, I believe, has tried the patience of the Canadian people to the breaking point. I believe this is obvious, because it is not too difficult to sense that the government is running scared. Suddenly the Minister of Finance realizes his policy to curb inflation was illogical, stupid and senseless. Now the government is attempting to make amends by coming in with programs to offset some of the damage caused to the economy of this country by its senseless and illogical policies to fight the so-called war on inflation.

I do not know how much longer the Canadian people can endure this blundering in so far as the misery and poverty associated with unemployment is concerned, but I am convinced the day is not very far off when they will have their say. I think they will let it be known in no uncertain terms that they are not prepared to accept this hanky-panky of illogical policies on the part of their government. They will be heard, and there will be a change.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I came to the House this afternoon to speak on a subject which is of interest to me. I came here to listen to urban members speak on this subject and am surprised to see that members from the city of Montreal and the city of Quebec are not here to participate in this debate.

Mr. Boulanger: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Richard): Order, The hon. member is rising on a point of order.

[*Translation*]

Mr. Boulanger: Mr. Speaker, if the hon. member took the trouble to check up, he would realize that there are here a member from Montreal and one from Quebec. So he should weigh his words.

The Acting Speaker (Mr. Richard): The point of order is not justified. In any case, each member can establish his own figures. I recognize the hon. member for South Western Nova.

Mr. Comeau: Thank you, Mr. Speaker. I would like a government member to take part in the debate in order to tell us exactly what is going on in Montreal as this is of interest to us. And the Quebec member who, as minister, is sitting in the front row, could also outline the situation and propose some solution, as there are certainly problems in Montreal since the minister moved shortly before Christmas a bill to settle certain problems of the City of Montreal. There are therefore problems in that city.

[*English*]

We should hear from these people. Where is the former mayor of Toronto? He is not here.

Some hon. Members: Shame.

Mr. Comeau: Mr. Speaker, a member from Toronto proposed the motion this afternoon, and it is a very valid one. Some government members have wondered why he proposed such a motion and questioned its necessity. It is

necessary because the government has not been taking any action. Therefore, we must spend our time today discussing matters which are of concern not only to the people in the cities but to the people in Canada as a whole.

I should like to simply stand here and holler, for the four minutes I have at my disposal until six o'clock, "incentive, incentive, and more of it." We must provide some incentive for the Canadian people and some hope that they will be able to get back to work. They need hope that work will be found for them in this supposedly great and fantastic nation called Canada.

This is a great nation. There are opportunities, and so on—but they are not being developed by this government. This is the terrible thing about it.

The answer is not welfare costs on a long-term basis. Welfare costs are important on an immediate, short-term basis so long as our citizens do not have the means with which to eat and pay their rent. This is the situation all over the country. There are no other means but welfare, and welfare costs of the municipal and provincial governments are increasing constantly.

One of the Liberal members from Winnipeg said there is no problem, that everybody is eating and everybody is happy. The hon. member for St. John's West (Mr. Carter), however, referred to specific cases. In Winnipeg, particularly in the constituency of the hon. member who spoke, apparently they do not have this situation because they have a glorified and sophisticated society. But in other areas there are serious problems and solutions must be found. The hon. member opposite and his colleagues asked why we do not offer suggestions. Suggestions have been brought forward every day, not only by the opposition but even by government members, as well as by the Economic Council of Canada and our financial people who wish something done about this situation. But the government does not listen—no, sir! They do not care at all because they are eating, they are happy and everything is fine.

Mr. Ricard: They created unemployment.

Mr. Comeau: They created unemployment, as the hon. member for Saint-Hyacinthe (Mr. Ricard) said. All kinds of suggestions have been made. I hope this motion is approved tonight, because the government deserves to be condemned for some of the things it is doing to this country. The leader of my party has suggested all kinds of things to get the country moving both on a long-term and on a short-term basis. We should look at the tax proposals and at what is happening to our tax system. It is all wrong. I am not an economist but I know something is definitely wrong. For example, yesterday we had a debate on the CDC and a lot of enthusiasm was expressed about economic nationalism, and so on. Yet we offer a better tax proposition to foreign companies than to Canadian companies. These are the things that are wrong with the present system. But the Minister of Finance wants to increase our taxes still further.

I believe you are becoming impatient, Mr. Speaker, so I shall call it six o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I very much regret that the hon. member for Spadina (Mr. Ryan) is not in the House at the moment because I have risen partly as a result of the challenge that he hurled across the floor this afternoon. He challenged hon. members representing Toronto ridings to explain how they could look after the interests of their city and still support the government.

Mr. Alexander: That is right.

Mr. Kaplan: I am not answering for other members from Toronto; I am only answering for myself. It is to that particular challenge that I should like to address myself. We have passed the point in this House of talking about the evil of unemployment and the importance of doing something about it quickly. For the same reason I do not propose to take much time in talking about the causes of unemployment, its relationship to inflation and what the underlying policies of the government are. A few days ago I spoke in the House on that subject.

What I should like to do this evening is respond to the motion which has been put forward by the opposition, in which it is alleged that the government could be doing more in certain areas and that it has wilfully and arrogantly refused to do certain things. I should like to look at the list of those things and see what it amounts to. Let us turn to the suggestions of the hon. member for Spadina. If I could suggest ways in which unemployment could be reduced more quickly, I would suggest them; and if I could propose schemes that the government has not proposed, I would do so. But I cannot do that, Mr. Speaker.

If I believed that our economy could be fired more quickly without danger, or that our expansionary policies could be accelerated more than they are, I would say so. But I do not think that, Mr. Speaker. I think that the government is responding to the problem. As I say, I will not go into the origin of the problem, its causes or its depth. I think nevertheless that, given the problem, the government has responded to it in the only way in which it could respond.

What are we going to do, we are asked, about unemployment in Toronto and in other Canadian cities?

• (8:10 p.m.)

I come first to the principal suggestion of the hon. member for Spadina. He turned southward to the United States and said, "Look at what President Nixon is doing." He stated it is proposed that millions of dollars of massive aid be pumped into the cities of the United States by the federal government. He said there are to be massive

tax-sharing agreements with the states and cities, pursuant to which President Nixon has proposed that a fixed proportion of all federal revenues be turned over to the states and cities.

With regard to the situation in Canada, the hon. member stated that all our cities and provinces are being offered is loans, and that loans are not as good as grants and tax sharing. I will not say much about the probability of President Nixon delivering that package; I think there may be some difficulties. I have read that Wilbur Mills, the chairman of the House committee which has to approve these proposals, is opposed to them. He informed the press that he intends to kill these proposals.

Let us look through the difficulties and see what would happen if President Nixon were successful and these tax-sharing proposals were implemented in the United States. How much worse off are we in Canada? The hon. member for Spadina has forgotten, if he ever knew it, that in this country we already have precisely the same program that President Nixon is proposing. A sharing program is already in existence. It has been in existence in this form since World War II. The plan is called the Income Tax Act. I am surprised that the member has not heard of it.

The Income Tax Act of Canada provides that a fixed share of all the revenue collected by the federal government is automatically turned over to the provincial governments. This is what President Nixon is proposing in the United States. We have had it in this country for over 20 years. In fact, what we have in this country is very much better because it is an amount fixed by the provinces. The provincial governments can decide what share of that revenue they shall receive. They have the right to pass provincial laws, which the federal government undertook many years ago to recognize, by which they can raise as much money through the Income Tax Act as they like. If they want to raise the same amount of money as the federal government, all they have to do is pass legislation. The federal government has already agreed to collect that money. This is very different from the position of the United States. In the United States there is no tax-sharing agreement. The states are limited in their powers and tax resources. They are pale and puny counterparts, at best, to the mighty provincial governments of this country.

The provincial governments of this country have virtually every taxing resource that is available to the federal government. There is only one way the federal government can raise money that the provincial governments cannot; that is through customs and excise, which is not a major source of revenue for the federal government. The federal government and provincial governments can raise money through death duties, income tax, sales tax, licence fees and royalty charges. This fantastic American idea, which is put forward as the main, concrete proposal of the Conservative Party in this debate is a measure which has been in force in this country since the last war. So much for idea No. 1.

Idea No. 2, Mr. Speaker, puts a Toronto member in a bit of dilemma: I confess that. I want to confront the dilemma and indicate the alternatives as I see them and the reasons why, after all is said and done, I am also with the government on this one. Proposal No. 2 is that the Canada Assistance Plan be altered so that the federal government contributes more than 50 per cent to the cost of welfare. That is very tempting. By having the federal government contribute more than 50 per cent, it sounds as though the burden on the people of Toronto will be reduced. That appears to be the case. However, when you look behind that apparently simple proposal, you find it is not the case at all.

I wish to deal with the argument put forward by the hon. member for Spadina, who stated that the city government cannot raise additional resources to provide extra jobs or to increase welfare payments. He stated that taxes at the municipal level are already too high. I agree with that. Without wanting to digress very far, I note that the provincial government determines the manner in which municipalities raise their revenue. Queen's Park could allow the city of Toronto to have an income tax or sales tax if they so wish. However, what have they done? They have required the city of Toronto to depend on a most unfair and regressive land tax plan.

The hon. member had no hesitation in condemning that tax. But that is not a condemnation of the federal government; it is a condemnation of Queen's Park. They should smarten up at Queen's Park and revise the method by which revenues are raised by the city of Toronto.

Some hon. Members: Hear, hear!

Mr. Kaplan: The hon. member then stated that we cannot ask the provincial government to raise more money. His reason is that the provincial government is in exactly the same position as the municipal government. He stated they are strapped for the same reason as the cities. I do not think that is valid; however, I accept the point that the provincial government is strapped. If the provincial government is strapped by the present downturn of the economy and other pressing problems, the federal government is just as strapped. As I stated a moment ago, the federal government gets its money from exactly the same place as the provincial government—our pockets. It has the same alternatives for raising revenue as the provincial government. There is no mountain of gold in Ottawa. Its resources come substantially from Toronto pockets.

I could accept the argument of the hon. member for Spadina if he were from Newfoundland, Quebec or one of the hard pressed Prairie provinces. However, coming from Toronto, his proposal is entirely illusory and against the interests of our city. The effect is that the revenue which the federal government would require if welfare payments were increased would affect our city in a disproportionate manner. A federal government program of this kind would benefit Newfoundland, Quebec and the Prairie provinces, but from the point of view from my constituents, the people of Toronto, it would cost them more than they would get out of it. I challenge the hon. member to demonstrate that the people of Toronto would be better off if the federal contribution under the Canada

Assistance Plan were increased. I take the opposite view; I feel they would be substantially worse off.

The depressed areas of this country would benefit from such a proposal. That may not be an objection to the hon. member's proposal, but I think it should be weighed. I am prepared on occasion to recommend proposals that operate against the people of Toronto but are in the national interest. However, let us call a spade a spade. The suggestion that increasing the welfare ratio would somehow benefit the people of my city is entirely misdirected.

I now turn to argument No. 3, that the federal government should give more than the $160 million that it offered to the municipalities of this country. I can deal with this argument very quickly. The hon. member states that there should be grants rather than loans. Whether there are grants or loans, the fact is that the very day these proposals were introduced offering $160 million, British Columbia applied for its full share. A few days later Quebec applied for its share. Two or three days ago, months after the offer was made to the province and municipalities of this country, New Brunswick applied for its share.

What about the government of Ontario and the $17 million that was promised to us? In our city we are faced with maximum unemployment and other terrible problems. Instead of accepting the offer which was made by the federal government, an offer which was good for British Columbia, good enough for Quebec and good enough in the maritime provinces, the government of Ontario has sat back without responding.

• (8:20 p.m.)

I was told by an alderman of the city of Toronto that the share which was to go to Toronto was not determined until February 4. The period between November, when this offer was made, and February was the period of maximum unemployment in our city, on a seasonally-adjusted basis. It was during that period, when other provinces were taking up the offer of the federal govenment, that Queen's Park was sitting back doing nothing. The hon. member for Spadina claimed that the city of Toronto itself was not offered anything, that it just went to metro.

I should like to point out that the $17 million was offered to Ontario; the distribution was left to the provincial government. I do not know whether $5 million eventually will go to Toronto, or $3 million. As far as Toronto is concerned, the $5 million offer has waited for three months. I know they have yet to come up with a scheme to use the $3 million or $5 million or, indeed, the $17 million. In other provinces, where there is also unemployment, these funds are already at work. This is proposal No. 3 which the official opposition put forward —the only substantial proposal.

The hon. member for Spadina concluded by warning the Toronto members that a delegation was coming here from Toronto with a good idea and that we had better listen. We had some advance news of this idea because we went to Toronto, at the invitation of the mayor, a few weeks ago and were told of this proposal. I do not intend to "knock" the proposal but I want to put it into perspective. Toronto has come up with a proposal, in a city where 20,000 are unemployed, for putting 120 municipal workers back to work at a cost to the federal government of a grant of $5 million. I am not saying we should not do something for these 120 workers but—

[Mr. Kaplan.]

Mr. Deputy Spaker: Order. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member may continue with unanimous consent. Is that agreed?

Some hon. Members: Agreed.

Mr. Ricard: No.

Mr. Bell: He could go on for a sentence or two, like the rest.

Mr. Ricard: I did not give consent.

Mr. Deputy Speaker: There is no agreement.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I am thankful for the opportunity to rise in my place tonight to speak on this motion of non-confidence for the period ending March 26.

I congratulate my hon. friend from Spadina (Mr. Ryan) on advancing this non-confidence motion because of the serious, high incidence of unemployment which is now at a record high of almost 700,000, and because of the adverse situation into which the government has allowed the country to fall. The blame for this arises directly from the government policy, directly from the Prime Minister's (Mr. Trudeau) declared and often-quoted intention of last year when he stated that the amount of unemployment he invited or would tolerate in order, as he said, to combat inflation was 6 per cent, perhaps more.

The motion condemns the government for failing to foresee and provide for the escalating effects of this unemployment policy. That is true enough. The government has sown the wind and now it is reaping the whirlwind. The escalating effects of the Prime Minister's unemployment policy have had a degrading effect upon the responsible manhood and womanhood of the country. In the confusion and melée, the Minister of Labour (Mr. Mackasey) declares: Oh, yes, we have a slightly embarrassing degree of unemployment, but we point out that we have raised unemployment benefits by a considerable degree. Mr. Speaker, it is not unemployment benefits that responsible, unemployed fathers and mothers and the unemployed youth of this country want when they are laid off their jobs. They want work, steady work.

Liberalism, in its constant deception of the Canadian people, is playing its nefarious game of region against region, province against province, race against race and, yes, sometimes capital against labour, and definitely government against labour. It is now reaching out unjustly to try to put some categories and professions into its unemployment insurance fund when they should not be there, and I refer directly to the teachers of this country.

Hon. members on all sides of this House are receiving hundreds of letters protesting attempts by the Trudeau government to grab millions of dollars a year from teachers who never have been unemployed and who never will be unemployed. Yet the Prime Minister and his labour minister have convinced the cabinet that this should be done and are now trying to convince the Commons and the country that we should perpetrate this new injustice, taxation without representation, which is uncomfortably close to fraud.

We shall have more to say in the near future in the House against this measure. I tell the Prime Minister that he had better take a leaf out of British and American history and study the career of George IV who witnessed a revolution because of unjust taxation—taxation without representation or benefit to those taxed.

Mr. Knowles (Winnipeg North Centre): Wasn't that George III?

Mr. Alkenbrack: I hear a remark on the point I have just made. It still stands. This is the same thing, a close parallel to events leading to 1776.

Mr. Knowles (Winnipeg North Centre): Does the hon. member not realize that we are just trying to get the right king for him. It was George III, not George IV.

Mr. Alkenbrack: Yes, I have "George III" in my notes. I must have misread my own notes. I have George III here.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: This non-confidence motion deplores and condemns the Trudeau government's lack of rapport with the provinces and the municipalities; its failure to consult and co-operate with these bodies in providing emergency financial support and employment programs. I know that employment programs generated in an emergency are not always a permanent answer, palliative or cure for the problem, but they help. They helped Franklin D. Roosevelt and his government in the New Deal during the great depression. They gave unemployed men and women a little pride and a renewal of confidence, particularly self-confidence. Employment programs helped Canadians in the depression of the 1930s.

A number of people in Canada and an increasing number of members of this House have no confidence in this government's methods of handling this serious problem. At the same time, Canadian personal self-confidence, although faced with adversity is still buoyant, thank God. The government's lack of imagination and appalling lack of interest in the great social problem of unemployment is tragic. Despite the declarations of the Prime Minister, the Minister of Labour, the Minister of Finance (Mr. Benson) and the deceptive answers they are giving the press and the people, I contend we are experiencing a serious recession. Many members of this House are old enough to remember the depression of the thirties.

• (8:30 p.m.)

Mr. MacGuigan: It is obvious you did not study economics.

Alleged Non-Support of Employment Programs

Mr. Alkenbrack: I will be talking later about economics. The problem with this government is that their economics are all awry. I wish to draw an analogy here, hopping that it will halt the Prime Minister's headlong and headstrong thirst for personal power—particularly as demonstrated in the omnibus bill, C-207—and bring him back to reality as voiced by the protest of today's non-confidence motion. We hope that this will point up to him the prime importance of the present unemployment situation, which means the collapse of the personal economies and hopes of at least one million Canadians, comprising those who are unemployed and their dependants.

I recall a Prime Minister in my younger days, the much-maligned R. B. Bennett, a man who headed the Canadian government in the worst days ever to befall Canada or any other country. He served the Canadian people in the days of the great depression, a catastrophe that struck with equal force at all countries on earth. Some of the members of the government who are laughing tonight at my words do not even remember the depression because they were not even born at that time. They do not remember the seriousness of the situation of that day.

At a time when the economy of the world was sick, when there were no markets for products, when there were not the means to preserve jobs or to generate new ones, Mr. Bennett none the less set out to create jobs for his people. He set men to work on the roads and in the forests. He co-operated with the provinces and municipalities. He dreamed up projects that resulted in national parks across the country that are enjoyed by our people and by tourists to this day. At a time when any Prime Minister might have been forgiven for throwing up his hands in the face of an impossible task, Mr. Bennett searched his mind and the minds of his colleagues, trying to dream up jobs.

He tried because he cared, because he considered his mandate to govern as a sacred trust, not as something to be thrown away or treated as lightly as it is today. Because he cared, the Canadian people suffered less than they might have. Needless to say, Mr. Bennett's record was judged on the basis of events that were played on the world stage rather than on the record of what he did for Canada.

On the other hand, we now have a Prime Minister who has at his disposal the wealth of a great nation, a nation with a much larger population and many times the wealth it had in the thirties. Today the economy of the world has never been more dynamic or stable. If the present Prime Minister cared even a fraction as much as some of his predecessors for the plight of his fellow Canadians, he would not be tempted to joke about the fact that almost 700,000 Canadians are looking for jobs.

Would a Prime Minister who cared about his people even consider creating massive and crippling unemployment in order to cure inflation, or for any reason? The Prime Minister says that inflation has been licked and that things are looking up. Even as he says that, the Dominion Bureau of Statistics reports 130,000 more unemployed than in the preceding month. The Prime Minister says that inflation has been licked, and then

steadfastly refuses to adopt measures to stimulate the economy so that new jobs can be created. Jobs do not occur by chance or by whim; they have to be created by industries and by business. But industries and businesses can only survive and grow in a healthy economy. There is a strange contradiction between the statements of the government and the facts.

I doubt that there is a record in the long history of Canada of a Prime Minister telling his people that if they do not like the way he is running the country, they can lump it. But our present Prime Minister has said just that. Is there any wonder, then, that he can find millions of dollars per year for aid programs for Ceylon, Indonesia, Pakistan, India, and countless millions for other countries, but cannot or will not attempt to find solutions to fundamental social and economic problems in his own country?

A couple of weeks ago it was brought to the attention of the House of Commons that a secret memo had been circulated in public service offices in Ottawa calling upon department heads to create jobs for 250 French Canadian college graduates who could not find work. The jobs were to be at senior levels, but there would not be the screening and testing procedures for these positions that are part of the laws governing the appointment and promotion of federal employees. At the bottom of the memo there was a notation that this order would not be made public.

When faced with this, the government's ministers at first denied that such a memo existed. When a copy was produced, the Prime Minister then admitted there was a document but said the program was actually only a feasibility study. When pressed further, he admitted that the government was planning to bring in these French Canadians in such a manner and said he was entitled to do so in the interest of creating better balance between English and French Canadians in the federal service.

Such a practice violates the principles of fair employment in that it discriminates in favour of a language or ethnic group. It is in violation of the government's own Public Service Employment Act, and it is in contravention of the merit system in the public service that is designed to ensure that appointments and promotions are made throughout the service on the basis of merit. It is a sad commentary on the conduct of the present government that 250 people from a specific language group are brought into choice federal jobs through the back door, when there are hundreds of thousands of unemployed Canadians of other ethnic and language groups looking to their government for leadership and employment.

It is being said that the government is doing so much damage to our traditional institutions and to our system of government that there can never be any recovery from its effects, especially since this government has about two more years to rule. I do not believe that. The Canadian people can and will return our government to the people, and they will impartially restore our traditional institutions to their former greatness. Whatever the present government does to concentrate power in the few at the top can and will be undone. It has been done before—in the voting booths.

Mr. Deputy Speaker: I see an hon. member rising, but I must point out that the time of the hon. member who has just resumed his seat has expired and he would not be able to answer a question unless there was unanimous consent. Is it agreed that the hon. member's time be extended to answer a question?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is no agreement.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, as a member of the party sitting in this section of the House I welcome a debate on social welfare as proposed by the official opposition. As the Minister of Finance (Mr. Benson) told us during the budget debate, 23 per cent of the nation's unemployed live in British Columbia, and this number is therefore bound to be reflected in the social welfare figures in my province. We of the NDP are often labelled the welfare party. This I categorically deny. Our whole purpose and philosophy is oriented to do everything we possibly can to remove people from social welfare rolls and, if possible, place them back into productive society.

• (8:40 p.m.)

Our programs and policies have always been oriented in this way, but because we are concerned with the casualties of the system, this current system, perhaps we have not paid enough attention to the rehabilitative role of social welfare and have concentrated too much on the maintenance role. In any event, as President Johnson once said rather crudely, we want to turn people into taxpayers, not tax eaters.

Much has been said about the government's anti-inflation policy and its relationship to the mounting unemployment roles. Because of mounting unemployment the municipalities I represent are faced with a tremendous increase in terms of their own budgets a direct result of increasing unemployment. I should like to quote a few figures which I think will indicate the magnitude of the problem faced by some of them. Let me refer to the welfare costs of the municipality of Surrey for the years 1968, 1969 and 1970. The total municipal expenditure in 1968 was $866,000. In 1969 it was $1,040,000, and in 1970 it was approximately $1,500,000.

Let me give the House the figures in respect of one or two other municipalities which I represent. In the rural municipality of Langley the cost in 1969 was $59,000. In 1970 the cost was $67,000, and in 1971 the estimated cost is $92,000. The population involved in social welfare in these municipalities during the same years increased from 8.06 per cent to 8.09 per cent, and this year to an incredible 10.12 per cent. In the suburban municipality of Port Moody, which is highly industrialized, the cost to the municipality in 1969 was $17,500, in 1970 it was $19,000, and in 1971 it is estimated to be $45,000.

These social welfare statistics represent abstract points and very often hide the human suffering and bitterness which results from cold and hard figures. For a moment let us look, instead, at the human interests of the people in my riding. Let me read from a letter I received from one of my constituents. It reads in part:

> After the tugboat strike I am blacklisted and am unable to get a job. What with the strike and unemployment I have no unemployment benefits left. I had to get a job at $1.65 per hour or go on welfare. That I don't want. But, however, I can quite see why people go on the welfare and stay there. It would not pay them to take a job at $1.65 an hour and pay into the pension fund and unemployment stamps. They make more in a month than I do working, plus they get free hospital, dentist, doctor, etc., etc. I can quite see their point of view, why work? They could not afford to live on $1.65 per hour and keep a family, so going on welfare they receive more. It seems that there are many thousands of people only making $1.65 per hour, mostly workers who don't belong to a trade union.

He goes on to say how difficult it is for him to manage after being a highly paid and, presumably, highly skilled industrial worker. He concludes by saying:

> I am only writing this so that you can see, from a working man's point of view, the way things are under this Liberal government. This tough year of unemployment might teach the working man which way to vote the next time.

I am sure this man has a great deal of faith. I hope it will not be necessary for the workingman to take the punitive political action suggested by this constituent. I hope the government will read the signs and see the way things are. Let us consider suggestions which have been made in respect of this difficult problem of continuing and increasing unemployment. As a result of a study by the Vancouver United Community Services, a booklet was issued under the title "Guaranteed income or guaranteed employment?» On the first page of the summary and conclusions it is stated:

> A more basic reason for the support of the guaranteed income concept by all political parties is our changing technology and changing labour needs. Private industry no longer needs the pool of low-skilled labour which once provided an important cushion for the ups and downs of the labour market.

The booklet goes on to say other things. For instance, at page iii it states:

> If benefits for the unemployed are set at adequate levels, what of the 'work incentive'? Will the result be to create a nation of loafers? And with increasing automation, should we stress the need for work—or train for leisure?

But they answer their own question in paragraph 1 by observing:

> Several factors suggest that "man cannot live by bread alone", that opportunity for constructive work should be our primary goal.
>
> People want and need to work. They develop their identity, their meaning in life, through working in an occupation. Contrary to popular belief, mounting evidence shows that when job opportunities with adequate incomes are available, even the "hard-core unemployed" choose to work rather than loaf.

These UCS people have some other very interesting things to say, but I see that I am not getting through to many members by quoting from these scholarly sources so I will return to my notes. Time is limited.

What is needed instead of a piecemeal approach is a comprehensive social security policy. The Minister of National Health and Welfare (Mr. Munro) is well aware of the different, competing and overlapping plans which now exist, including old age security, family allowances, unemployment insurance and others. We can no longer accept such a patchwork type of system to meet the needs of the people in our society. We need, instead, some kind of comprehensive social security package in the form of a guaranteed income plan. If we cannot supply guaranteed employment we will have to move toward an income maintenance program.

In spite of all the mutterings to the contrary, in the municipalities I represent there are few malingerers on welfare. Some politicians get a great deal of mileage out of the myth or the misconception that much of our welfare tax dollar is going to this type of person. They get a lot of mileage out of the suggestion that welfare payments go to people who basically are lazy bums. This is not the situation in my area, although there may be some there. I think it might be worth while to examine the situation and find out what type of person is on welfare.

First of all there are the aged. A person who is by one day under 65 can receive $95 per month from social welfare. If that person were 65 he might receive $130 or $135 per month. In this example alone we can see that there is a cruel anomaly. Let us consider the abandoned wife with children. She is tied up in the home. Very often she worked before she was married but, having been deserted or abandoned, she is stuck with the children and cannot get out to work. Therefore, few have any alternative but to abandon the children or go on social welfare, and in most cases they choose the latter.

• (8:50 p.m.)

Further, there are the physically disabled people who are unable to work because of physical disability or illness. There are the people with psychological problems. They may be alcoholics, people who fight with their bosses or cannot get along with their wives and as a result cannot go to work the next day. Unless they receive much counselling they will probably never be able to hold steady jobs.

There are the dropouts who do not have the education or skill to compete for employment in this highly technological age. Our society demands a higher and higher level of skill all the time. In spite of this we have another group of unemployed who require an increasing proportion of our welfare funds: these people are overeducated for the development of our country.

What kind of solution can we propose to assist in solving these problems in our society? Certainly day-care centres would be very useful for wives with some saleable skill who would like to go out to work. I think that for a number of the psychologically and physically handicapped we will have to look for these kinds of things that we have for people who have mental deficiencies,

such as sheltered shops. For many people who cannot "hack it" on the treadmill from eight to five o'clock every day, communities must set up sheltered workshops with auxiliary counseling services, probably padre services, and nursing and medical services so that these people contribute what they can, because they will never be able to compete under the normal demands of a workaday world.

We should be looking seriously to earlier retirement of people. I was impressed by the concept of the United Auto Workers whose slogan was "Out at Thirty". After 30 years of service it should be possible for anyone who has worked all his life and contributed to be able to retire without sacrificing too much of his income. Many people would retire much earlier if it were not for the shellacking they would have to take on their income. For those people who are concerned about retiring too early and who find that to be an upsetting emotional concept, my view is that it is far worse to be retired permanently at the age of 25 than at the age of 55, and that is what faces many of today's young people.

I think, also, we should be looking at some of our agricultural surpluses and beginning to investigate what other countries have done in this area. We have many agricultural surpluses, such as in apples, butter and broilers. Just this week we will be shipping three million pounds of broilers worth almost $400,000, subsidized by the Canadian people, to help the people of Japan. If we had a free food stamp program in this country, perhaps we could subsidize those people who need that food right here in Canada—and there are many people who do.

We talk about the demand for meat products but we seldom talk about the need, because these are two different concepts. I think we should be investigating a school lunch program as well. The point is not the give-away. The point is that the government has refused to provide enough funds except for marginal existence for many people. A food stamp program or a school lunch program would at least liberate some of the funds that we give to people for other purposes.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I must do so to advise him that his time has expired.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, it is a great pleasure for me to take part in this debate on unemployment. For the past few days I have been listening to the speeches of opposition members and I wonder if people are justified in thinking that unemployment is something new in Canada. It seems as if that plague, unemployment, has just been discovered, but to my knowledge no solution was brought forward in order to eliminate unemployment.

As everybody knows, unemployment is due to several causes. Within a thirty-year period, we lived through the first industrial revolution, which brought the difficulties of the twenties, and I believe the experience we, Canadians as well as Americans, are living through now, could be called the second industrial revolution, a revolution brought about by intensive automation and a concern for efficiency that makes employment more and more scarce.

Moreover, the Canadian climate is one of the great causes of unemployment during winter months. The same can be said of the difficulties encountered by the American economy and, whether we like it or not, as soon as the Americans face difficulties in employment, we feel the after-effects.

One must not forget either that it is in the Canadian government's interest to fight inflation. People with fixed salaries, people who are not represented by powerful unions, people receiving pensions they paid with 1925, 1930 and 1940 dollars are in the throes of inflation. Now the Canadian government has taken that problem in hand. Ours is one of the industrialized countries that were most successful in their fight against inflation.

Let us see now if the unemployment we deplore so much is something new in Canada. I have here statistics that I should like to recall to the opposition members. In 1959, the unemployment rate was 6 per cent; in 1961, 7.1 per cent; in 1963, 5.5 per cent; in 1965, 3.9 per cent, in 1966, 3.6 per cent, in 1969 and in 1970, 4.7 and 5.9 per cent respectively.

Obviously, the unemployment problem is not new to us since we were already faced with it in 1957, 1958 and 1959. What steps did the government take to fight unemployment? It did manage in spite of everything to create 212,000 jobs in 1970. Some will say that it was not enough—and I agree with this—to give jobs to all the unemployed and to all the young people entering the labour market. However, for a year such as 1970, during which we successfully fought inflation, it is our opinion that 212,000 jobs is nevertheless a significant figure.

There are all kinds of programs to alleviate unemployment. Among others the government has initiated an urban renewal program which was launched in 1965 and which is helping municipalities, both Toronto and Saint-Jérôme where I live. In fact, this program which will be in force for several more years, is giving work to many seasonal workers.

Over the twelve months which preceded December 1, 1970, the Minister of Regional Economic Expansion (Mr. Marchand) and the officials of his department had been able to create 20,033 new jobs representing an aggregate investment of $546 million. This expansion program will be stepped up in 1971 and it is hoped that the number of jobs created will be much higher in 1971.

The government recently introduced a bill setting up the Canada Development Corporation in order to allow Canadians to invest their savings in Canadian industries, in industries which belong to them.

The Central Mortgage and Housing Corporation's budget has recently been increased, a measure which will bring about a vigourous upswing in the building of low rent housing in Canada.

All sorts of actions have been taken to check unemployment. As every other country, we are faced with difficulties and the Europeans, keep saying that Canada is

faced with the kind of problems everybody would like to have. The Minister of Finance (Mr. Benson) has been told recently that the performance of the Canadian economy has been breaking all records for years.

If members of the opposition wish to contribute to the fight against unemployment, they could make fewer speeches and stop blocking legislation. I refer particularly to Bill C-207, the omnibus bill which among other things would setup a Department of the Environment responsible for pollution control. This department will see to the construction of several sewage treatment plants and the implementation of a good number of projects and programs likely to create many jobs.

On the other hand, knocking our national policy surely does not help to create confidence among investors who might be considering investments in Canada.

We hear hon. members of the opposition day after day criticizing the government policy and the methods used to fight unemployment. I have not yet heard a single suggestion likely to alleviate the problem.

If I were to point out a shortcoming among the Canadian people, I should say that they do not care enough to buy products manufactured in Canada. According to recent figures, each Canadian citizen imported goods worth $700 in 1970, whereas in the United States imports per capita amounted to $180, and in Japan, to $150. It might be advisable to do some promotion for the products manufactured in this country and to encourage Canadians to buy more of them.

Mr. Speaker, I know that some opposition members are anxious to be heard, and I think I should now close my remarks.

• (9:00 p.m.)

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am very concerned about having to take part in this debate, primarily because it was not too long ago that we had an opportunity of expressing our feelings in no uncertain terms with respect to the attitude of the government. But once again we find that as a result of the government's callousness and its direct lack of concern, as shown in the policy it is attempting to implement, it is necessary that we continue to drive home the fact that the country is facing a national crisis. This crisis is brought about by the government's fiscal and monetary policies. These are not my words; they are the words of the mayors of several Canadian municipalities.

My own city of Hamilton, which is similar to many other cities in terms of the hardships it is encountering because of the government's policies, is facing an increase in welfare expenditures totalling more than $3 million over last year's expenditures. This is a frightening situation, considering the tax base upon which cities operate. I am at a loss to know where cities will get the extra money they need for welfare unless tax reforms are brought about as a result of federal and provincial concern. It is time for such concern when a city like Hamilton, with a population of 300,000 people, is budgeting for welfare costs of some $10.5 million, about $3 million more than last year.

I would like to quote from a document prepared by R. J. Protti, research officer for the Canadian Federation of Mayors and Municipalities, entitled "Welfare Expenditures and Local Government", issued January 22, 1971. In it he reports on the results of a questionnaire submitted to members of the federation concerning the welfare implications of current high rates of unemployment. One of the questions asked of municipalities was: "What is the rate of unemployment in your municipality?" He reports as follows:

> Answers to question (a) ranged from minimal to over 13 per cent. Some respondents indicated that they expected the unemployment situation to worsen in the first three or four months of 1971.
>
> What was most notable about responses to question (a) was the number of approximations and "guess-estimates" of unemployment rates that had to be made for particular municipal units. Neither the Dominion Bureau of Statistics nor Canada Manpower offices could provide accurate unemployment statistics for a specific municipality. The Dominion Bureau of Statistics only supplies unemployment rates monthly on a provincial basis. Canada Manpower offices generally cover areas which can and most often do include more than two municipal units.

I take it from this that even the municipalities do not know exactly how many people are unemployed in their own communities. If the city of Hamilton thinks it has something like 20,000 unemployed, Lord knows what the actual figure is. Also, in replying to the questionnaire the municipalities indicated that they were concerned about the cost-sharing arrangements among all levels of government in respect of welfare expenditures. Notwithstanding what the hon. member for Don Valley (Mr. Kaplan) has said, Mr. Speaker, this is an important matter to the cities.

In British Columbia the federal share is 50 per cent, the provincial share 30 per cent and the municipalities pay 20 per cent. It is the same ratio in Alberta. In Saskatchewan provincial government pays 45 per cent and the municipalities 5 per cent. In Ontario the ratio again is 50 per cent federal, 30 per cent provincial and 20 per cent municipal. The municipalities are very concerned about the reluctance of the federal government to help further. I respectfully submit that we are facing a national crisis, notwithstanding the speech of the hon. member for Don Valley. It is time for federal action before it is too late.

• (9:10 p.m.)

We cannot continually hide behind the Constitution, Mr. Speaker, because in the long run this means we are not credible. In order to be credible we must recognize that we are experiencing a national crisis when 668,000 members of our labour force are unemployed, acknowledging that this is primarily due to the fiscal and monetary policies of the government. When the mayors were asked what measures they believed could and should be taken by the federal government to alleviate the situation, they replied:

Alleged Non-Support of Employment Programs

The vast majority of the 47 respondents to this question offered more than one suggestion for alleviating the current situation. The suggestions are divided into short-term (immediate) and longer-term measures.

By far the most popular measure advocated (mentioned by approximately 45 per cent of the respondents) was the immediate introduction by either the federal or provincial governments of a winter works program similar to the program which existed in the 1960s. Also of a short-term nature is the suggestion that there be an immediate increase in the level of unemployment insurance benefits.

Let me pose a few questions with respect to that last statement, Mr. Speaker. I am at a loss to understand why the government has not attempted to provide some relief under the Unemployment Insurance Act at this time. Surely there should be easier access to benefits and they should be increased. Is it necessary to wait until April, 1971? We continually hear members on the government benches stating that they are working on it and will be bringing it in shortly, but they want to bring in the whole act. This attitude is irresponsible because at present there are many people whose benefits have run out, and unless there is an extension of seasonal benefits it appears to me that the government is asking people to go on the welfare rolls. That is greasing the skids of economic chaos, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Alexander: It shows an irresponsible approach to a very serious problem.

An hon. Member: There are only eight government members present.

Mr. Alexander: I am very concerned about what unemployment means, Mr. Speaker. The following has been stated by the Organization for Economic Co-operation and Development:

Long-term unemployment signifies lost productivity and life wasted, both national and individual misfortune.

In 1970, the annual average number of persons experiencing unemployment for four months and longer was 164,000. This is higher than every other year in the preceding decade except 1961. The Liberal government, with its rhetoric about participatory democracy, has distributed unemployment impartially among all classes in our society. But there is little doubt that the poor suffer most. Close to 100,000 of the approximately 500,000 unemployed Canadians in the third quarter of 1970 are listed as people who have never had a full-time civilian job lasting two weeks or more. Unskilled labourers, semi-skilled craftsmen and production workers, farm and mine workers, account for almost half of all Canadians without jobs.

When Ottawa puts price stability at a higher priority level than high unemployment, the poor are trapped between fewer job opportunities on the one hand and rising taxes and restricted credit on the other. While some of the poor may be seriously hurt by inflation, more of them are hurt by high unemployment. I do not need to elaborate further, Mr. Speaker.

Mr. W. Cheeseman, president of Westinghouse, made a speech in Kitchener recently and voiced his concern about the path being taken by this government. In the course of his remarks he said:

Are we going to demand that government planning, government policies and government actions should be aimed at making Canada viable industrially through hard-headed business decisions? Through realistic, not naïve, trading arrangements and through a determination to upgrade more of Canada's raw materials here in Canada and gain the advantages of solidly based secondary industries.

In what other country of the industrial world will you find corporation income tax at the 52 per cent level? Not to mention the so-called temporary 3 per cent surtax! In the United Kingdom the tax rate was 45 per cent but is due soon to be reduced to 42.5 per cent. In the U.S. it is 48 per cent. In Japan the rates are from 26 to 35 per cent. In France it is 50 per cent, and in Italy 49.5 per cent (if they catch you!) The difference doesn't sound like much but an additional 2 to 4 per cent corporate income tax is another cost burden of real significance to Canadian producers in fiercely competitive world markets.

If a greater proportion of the growing work force is to be employed, the new jobs cannot be provided by an increased rate of public spending.

He went on to say:

There are a number of efficient, labour intensive, industries in Canada where growth has slackened or levelled off in the last few years. As a result, capital will not be put into industries until there is some assurance of a growth environment. And there can be none, unless government adopts policies which strengthen existing efficient industries in both their own domestic markets and in export markets.

To make matters worse, Mr. Speaker, Canada has dropped to No. 4 in the most prosperous nations category as indicated by the World Bank. The sequence is as follows: the United States, Sweden, Switzerland, Canada. I have often heard the member for Don Valley refer to the goals of full employment, a high and sustained rate of economic growth, reasonable price stability, a viable balance of payments position and an equitable sharing of rising incomes. The government needs an economic policy which is devoted to growth and full employment for all Canadians. It would seem to me, therefore, that our role should be to articulate the need for full economic growth so that the Canadian economic potential can be completely realized.

I know that the Minister of National Health and Welfare (Mr. Munro) will be interested in the remarks of Senator David Croll as reported in the Toronto *Daily Star* of Wednesday, November 11, 1970. The Senator said:

Anti-poverty programs will be ineffective unless the government takes steps to end economic uncertainty and curb rising unemployment.

I know that the minister is very concerned about the poor, as I am, but when I look at the attitude of this government I wonder how credible it really is. The Senate committee is working on a four-year plan to lift four million people out of poverty. Therefore, a high and sustained economic growth must be assured in order to provide programs to overcome shortcomings in existing welfare measures, education and retraining programs, legal and medical aid, and housing. Notwithstanding

that, issues have been raised as a result of the five goals set up.

The first point at issue is that on the one hand the government feels that not all the economic goals are of equal importance, while on the other hand the Economic Council feels that all goals are of equal importance. Moreover, the government is prepared to tackle one goal at a time, whereas the council claims that an effort must be made to achieve all goals simultaneously.

The second point at issue is that implicitly the government believes that high unemployment and low growth are temporary costs which have to be paid in order to achieve price stability. The council warns that if these temporary costs are forced upon the economy for too long, they will do permanent harm. Some exploration of this second point is needed. When the economy runs at reduced capacity, the actual rate of growth is less than the potential rate of growth. In the short run—less than two years—the initial costs in such a situation are unemployment, economic hardships on the individual business and consumer, and reduced tax revenue for governments at the same time as their expenditures are increasing.

The government is apparently willing to pay these short-run costs in the name of price stability. But what about the long-term, hidden costs? Is the government prepared to ask Canadians to pay these costs? These long-term costs are the irreplaceable losses in potential caused by running the economy at below capacity. The council feels that—

—such losses (i.e., no growth and high unemployment) are cumulative for every year in which such a gap exists between actual and potential output. Nor is the loss ever made up, even when the gap is closed—

Mr. Deputy Speaker: Order, please. I regret very much to interrupt the hon. member, but I do so to tell him that his time has expired.

• (9:20 p.m.)

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, it has been nice to listen to some of the speeches made by hon. members who support the motion moved by the hon. member for Spadina (Mr. Ryan). I must say that I never heard so many contradictory statements in terms of what should be done in Canada in this situation.

My hon. friend from Hamilton West (Mr. Alexander) seemed to be talking about increasing unemployment insurance benefits and increasing our expenditure in the social assistance area, which would add greatly to our expenditures. Then he started to quote some paragraphs from a speech made by the president of the Westinghouse Corporation who indicated that our problems would not be solved by increased public expenditures. These statements are somewhat contradictory. Then he talked in general terms about easing the government's fiscal and monetary policies. Having listened to some of the opposition speeches, I assume that what he means by that is easing the money supply and an expansionary policy in terms of expenditures that would stimulate economic growth.

Alleged Non-Support of Employment Programs

All this, as the hon. member must be aware, this government has been doing for the last six months. So if one talks in terms of expansionary policies, these indeed add to public expenditures. I do not know how you can ride two horses in two different directions at the same time; it is a nice feat if you can do it. I think the hon. member for Hamilton West is to be congratulated for endeavouring to ride two horses. I think that the whole debate has been along that line. There have been very few constructive suggestions as to how we can cope with this situation.

Some hon. Members: Oh, oh!

Mr. Munro: The motion moved by the hon. member for Spadina reads:

That this House condemns the government's failure to foresee and take steps to provide for the escalating effects of its unemployment policy upon the social assistance funds of the provinces and municipalities and its failure to consult and co-operate with the provinces and municipalities in providing emergency financial support and employment programs.

This shows really a desperate dearth of anything constructive in terms of policies that we might implement now.

Mr. Stanfield: Come now!

Mr. Munro: There is no suggestion of any guarantee. If we should adopt a policy such as set out here, and if we gave relief to the municipalities to help along the line of social assistance there is, according to this motion, no guarantee that the money would go to those who are unemployed and on social assistance. I take from the wording of the motion that the opposition does not think this important. The money could go to a municipality and they could use it for any purpose at all; it could be totally unrelated to the problem that the hon. member and other hon. members opposite are so concerned about. If that is the best that the opposition can offer—

An hon. Member: The minister has not been listening.

Mr. Munro: —with respect to positive policies for coping with this situation, if the opposition suggests that we should just hand out money without any guarantee that it will do anything realistic in terms of serving the situation that the country is facing, then I cannot help feeling a certain sense of satisfaction.

An hon. Member: How stupid do you think the mayors are?

Mr. Munro: The opposition's thinking is so sterile that it surely cannot pretend to be a reasonable alternative to the present government.

The Deputy Speaker: Order, please. Is the hon. member for Hamilton West (Mr. Alexander) rising on a point of order?

Mr. Alexander: No, Mr. Speaker. I wonder if the minister would be kind enough to allow me to ask a question. The minister berated me in a charitable way because I

had indicated that Mr. Cheeseman did not think that pumping money into the economy was the solution. Does the minister not agree with the alternative proposed by Mr. Cheeseman, namely, a reduction in taxes? In other words, does he not agree that the policy of tax incentives is a proper policy for the government to pursue?

Mr. Munro: My answer to that question is that it shows a further contradiction in the hon. member's argument. In view of the deficits that we are now running into, is he saying that we should increase social assistance and unemployment insurance, which is a further burden on the taxpayers in terms of contributions? Is he espousing further expansionary policies to stimulate economic development, which would mean more taxes and more expenditures and, at the same time, is he saying that we should reduce taxes?

Mr. Korchinski: It sounds as if the minister has trouble from all sides.

Mr. Munro: It seems to me that the hon. member's position is loaded with contradictions. Surely what we are talking about, Mr. Speaker, is an easing of the money supply. Surely what we are talking about is expansionary policies, about increased expenditures to get the economy going. The Minister of Finance (Mr. Benson) has documented precisely how we are going to do this.

In the meantime, let us look at a more positive way than that of increasing the amount of money to municipalities. Let us look at a way that might help them with their social assistance problems and yet carry with it the guarantee that the assistance will help the people who are receiving social assistance as well as the unemployed. One might ask, how am I to do this on more positive lines? I suggest that you look at the white paper on income security for a few pointers. What we talk about there is redistribution within our present social security system, within our income security system, to put money into the hands of lower-income groups. That way you could ensure that the people living in poverty that so many hon. members seem to be concerned about will receive the benefit.

An hon. Member: When?

Mr. Munro: If we adopted the policy set out in the motion, there would be no guarantee that those people would receive anything. There is no guarantee whatsoever. But if we redefine our policies—

Mr. MacInnis: Mr. Speaker, would the minister permit a question.

Mr. Munro: When I have finished, if the hon. member does not mind. If hon. members want to adopt constructive policies of direct payments to persons, payments that will have a redistributing effect in favour of the lower-income groups, they should look at several of the schemes we have now and at suggestions as to how they should be changed. There has been some discussion of the guaranteed annual income.

Mr. Woolliams: I do not think so.

[Mr. Alexander.]

Mr. Munro: Is the opposition suggesting that we must put all the emphasis on social assistance and that this is the only answer? If so, what is their position on the guaranteed annual income which some of them have espoused? The two concepts do not work very well together. Social assistance, it seems to me, has been acknowledged by everyone as being the least attractive way of helping the lower-income groups. It is the least attractive of all. It is the measure of last resort. To attack the government, while at the same time proposing what I think everyone is prepared to acknowledge as the least attractive of all the income security measures with which to prime the pump, seems to show a complete abdication in terms of trying to find constructive solutions for what is facing the people today.

An hon. Member: The minister did not listen.

Mr. Munro: The only member of the opposition whom I thought had constructive policies to suggest was the hon. member for Fraser Valley West (Mr. Rose). He suggested that since social assistance is one of the least attractive of our income security measures, and since a stigma is attached to it, that we who are in public life should combat this increasing stigma which attaches to people who must rely upon such assistance. He pointed out something that should be reiterated, that tremendous numbers of people on social assistance are people who are permanently out of the work force. The majority of them are cripples, widows or deserted wives and children. He also pointed out a solution that I think is worth repeating. He said that one solution for this problem, and we point this out in the white paper, is early retirement.

Ahead of us in the 1970s we shall probably reach the situation in which the nation will be affluent, in which there will be a favourable balance of trade, in which the business community will experience a favourable profit picture and in which, because of cybernation and automation, people will still be unemployed. Perhaps we ought to redefine our thinking in terms of what is employment. Perhaps there are constructive areas that should be considered as employment that have not heretofore been considered as employment. Perhaps we should start thinking in terms of having many of these people put their endeavours into social activities, recreational activities and constructive leisure activities.

Not one of these novel suggestions that could be positive in terms of rehabilitation for those on social assistance, or in terms of putting those suffering from low incomes into constructive and creative work, has emanated all day long from the official opposition.

• (9:30 p.m.)

In terms of the vertical distribution of income suggested in the White Paper, I should point out the effect this will have in terms of a generator of economic stimulation. As of April 1 we will commence to put into the economy an additional $200 million a year through the guaranteed income supplement. This will bring the total of the funds in the guaranteed income supplement and old age security to $2 billion a year. By directing this money toward the guaranteed income supplement it will

go to those people who need it most, those in the lower-income groups. It will find its way into consumer purchases immediately and afford a stimulation to the economy. This is far more positive than talking about sending cheques to the municipalities to relieve their costs of social assistance, with no guarantee that the money will go to those who need help.

It might also be pointed out that relative to what we are suggesting in the FISP program, the alternative to the family allowance, we are now talking about redirecting at least $250 million in that system toward the lower-income group. The income supplementation that the families in the lower levels receive will be tripled. I am talking in terms of people who earn under $4,500 a year receiving $16 a month. When the additional expenditure of $200 million going to the guaranteed income supplement is combined with the approximately $200 million to $300 million that will be distributed through an alteration in FISP, there is the potentiality of half a billion dollars going to the lower-income group, the people who desperately need it. They will immediately spend it on consumer goods, which will result in a positive stimulation to the economy.

Mr. McCutcheon: Mr. Speaker, I rise on a point of order on behalf of my colleague, the hon. member from Essex, who is most anxious that a clipping he has be delivered to the minister.

Mr. Speaker: Order, please. That is hardly a point of order. Perhaps I should indicate to the House that I understand there is an informal agreement that the minister will not take all his time, in order to allow a representative of the Créditiste party to speak.

Mr. Munro: Mr. Speaker, I acknowledge that the agreement exists. Having said what I have already said, which has obviously passed the attention of the opposition, I hope that during the course of the next few days we might hear more constructive suggestions on how to cope with the problem.

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) would like to ask a question. He can ask a question and the minister can reply, but I bring to the attention of the hon. member and the minister that there is agreement that the hon. member for Lotbinière (Mr. Fortin) should be given an opportunity to speak in the last ten minutes.

Mr. MacInnis: The minister indicated he will accept the question. I guarantee it will be short; however, the length of the answer is something else. Will the minister give the House the government's definition of the word "guaranteed"?

Mr. Speaker: Order, please. I have to rise and protect the interests of the minority who has been trying to get the floor for a while.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to thank you very much and very sincerely for the protection you give minority groups in the House. At the end of a debate on a question that affects us so deeply, when only one member of our party has had the opportunity to express our viewpoint, obviously we feel rather neglected and rightly so. Happily, your intervention allows us to close on a Créditiste note a debate that has dragged on interminably because of negativism.

Considering I have not much time left and since the Minister of National Health and Welfare (Mr. Munro) and the hon. member for Labelle (Mr. Dupras) have said that the opposition did not propose any positive solution to check unemployment, I want to set the record straight.

Not only is that not true, but those who heard the leader of the Ralliement Créditiste (Mr. Caouette) know full well that he made several suggestions that could remedy the situation. But it seems his words fell on dry, rocky terrain, in short, on deaf ears, for the government members have done their utmost to say that we have proposed no solution.

In fact, I should like to bring up one of them again. In so doing, I shall use the same language and the same material the liberal members have used.

Recently, the President of the Treasury Board (Mr. Drury) published a liberal brochure, with the taxpayers' money, entitled, "How your Tax Dollar is Spent", and this to encourage people to pay more taxes, under the pretext that this money is supposedly well managed! In this brochure, it is stated that for each tax dollar that is drawn from the pockets of the taxpayer, 14 cents are affected to the payment of public debts. Why? So as to pay interests to our creditors. On page 23, one can read the following:

> Canada's public debt amounted to $38 billion in October, 1970, and the Minister of Finance has forecast new government borrowings of $1.9 billion in 1971-72—

The Minister of Finance (Mr. Benson) will get down on his knees before foreign financiers to borrow two billion, without the agreement of this House, without consulting us. He will go, on his own, and contribute to selling another part of Canada for another $2 billion, in short, for a pittance. On what terms? For an excessive rate of interest. Why? To develop our country? As the leader of the Ralliement Créditiste said this afternoon, we do have manpower, resources, unemployed workers—by the way, this government does not know what to do with them anymore—in short we have all that we need in Canada, but no money. So, we will go "on all fours" before Big Business and fetch $2 billion for 1971-72.

• (9:40 p.m.)

Now, Mr. Speaker, that is even more shameful, not only is it bad management but it is obviously a raw deal.

So that the people will swallow the pill, they are told at page 24 of the same booklet that, this year, $2 billion will be borrowed at an interest rate of 8 or 9 per cent from foreign bankers. This is what is said:

> This interest payment is almost wholly a return on investments in Canada by Canadians.

Alleged Non-Support of Employment Programs

Mr. Speaker, can a bigger lie than that one be told? Canadians will not be receiving $600 in dividends because they have invested in Canada. That is false! The Canadian government will take $600 in the Canadian taxpayers' pockets to pay interest to foreigners.

This means, Mr. Speaker, that we could not do anything in Canada without foreign capital. Canadian people are deluded and to publish these lies, public money is used.

But here is the most shameful of all. This is where I arrive at a positive solution. At page 28 of the booklet, under the heading "Foreign Affairs", the following may be read:

In addition to grants for international development, CIDA has also been given $172 million to lend to developing countries on generous terms.

What does that mean, interest-free loans?

Mr. Speaker, what we of the opposition are asking for—and this is a constructive proposal—is that the government obtain from the Bank of Canada an amount of credit based on the actual credit of the nation, that they then grant soft loans to the provincial governments, and to the municipalities which are now facing stagnation, to increase our economic growth.

Mr. Speaker, we fail to develop our resources and to satisfy the needs of the Canadian people but we tell them: "Tighten your belts, do not ask for wage increases in excess of 6 per cent". Meanwhile, however, the government gives the chartered banks authority to raise their profits by 22 per cent in the course of just one year, lets them exploit our people and all the while gives any foreigner the green light to make fat profits.

Our proposal is as follows: Let the government once and for all use the Bank of Canada to put our economy in order.

Unemployment, Mr. Speaker, is an abscess that is bursting today in the economic system. It id not grow like a mushroom. It could have been expected. It was in fact expected. We had announced it on many occasions, but the government, by tightening the money supply, by controlling it and reducing it by $560 million, increased poverty, discouraged Canadians from investing and helped increase unemployment.

This is why we say that unless the government takes the necessary fiscal and monetary measures at once to encourage Canadian investments in Canada, to develop our natural resources and provide jobs for Canadians, we shall have to go on putting up with a policy of poultices on wooden legs. The Department of Regional Economic Expansion, for instance, has become another Welfare department.

Indeed, not only individuals are on welfare, but also companies. They go bankrupt, and the government does nothing. Again, I have here statistics which could prove it eloquently.

For instance, I will mention that in 1968, there were 1.248 business bankruptcies in the province of Quebec. In 1969, that figure went up to 1,424, for a loss to creditors of nearly $120 million.

Now according to recent studies, each new job requires an average investment of $1,550. That is to say that the equivalent of 80,000 jobs would not have been created due to the sole fact of business bankruptcies.

Judging from the present state of the economy, losses due to bankruptcies will certainly exceed $150 million in 1971. This is therefore 100,000 times the amount required for creating one job.

Mr. Speaker, instead of continuing to put private companies on welfare and thus increase the indebtedness of Canadians and the rate of unemployment, let us put the economy in order, encourage private enterprise, respect the human person, put our money at the service of the people, rather than have the population and the government "on all fours" before foreigners trying to borrow millions for developing our resources. Since we do not have enough money, let us master what has not yet been subdued in Canada, namely, money, so that we may really be at home here and develop our country.

[*English*]

Mr. Speaker: It being 9.45 p.m. it is my duty, pursuant to Standing Order 58 (9), to interrupt the proceedings and forthwith put, without further debate or amendment, every question necessary to dispose of the said proceeding.

The House divided on the amendment (Mr. Orlikow) which was negatived on the following division:

• (9:50 p.m.)

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Bell
Benjamin
Brewin
Broadbent
Cadieu
Carter
Code
Comeau
Crouse
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Fortin
Gilbert
Gleave
Godin
Harding
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Laprise
La Salle
Latulippe
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mather
Moore
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose

Messrs:

Ryan
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams—67.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Davis
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Drury
Dubé
Dupras
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gibson
Goode
Gray
Groos
Guay (St. Boniface)
Haidasz
Harries
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Lachance
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McNulty
Marceau
Marchand (Langelier)
Morison
Munro
Noël
Olson
Orange
Osler
Otto
Penner
Pepin
Perrault
Reid
Richard
Robinson
Rock
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Whiting
Yanakis—105.

Mr. Speaker: I declare the amendment lost.

The House divided on the main motion (Mr. Ryan) which was negatived on the following division:

Division

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Bell
Benjamin
Brewin
Burton
Cadieu
Carter
Code
Comeau
Crouse
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Fortin
Gilbert
Gleave
Godin
Harding
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Laprise
La Salle
Latulippe
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mather
Moore
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose
Ryan
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams—67.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Davis
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Drury
Dubé
Dupras
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gibson
Goode
Gray
Groos
Guay (St. Boniface)
Haidasz
Harries
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Lachance
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)

Division

Messrs:

Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McNulty
Marceau
Marchand (Langelier)
Morison
Munro
Noël
Olson
Orange
Osler
Otto
Penner
Pepin
Perrault
Reid
Richard
Robinson
Rock
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel

Messrs:

Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Whiting
Yanakis—105.

• (10:10 p.m.)

Mr. Speaker: I declare the motion lost.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 26, 1971

The House met at 11 a.m.

PRIVILEGE

MR. BALDWIN—ALLEGED REFLECTION BY PRIME MINISTER ON MANNER IN WHICH OPPOSITION DEALS WITH HOUSE BUSINESS

Mr. G. W. Baldwin (Peace River): I rise on a question of privilege in respect of which I have given notice to Your Honour. It deals with the immoderate and intemperate charges levied by the Prime Minister against the opposition parties yesterday, charges which were quite improper and untrue. Your Honour will have noted that there has been filed with you under the pertinent rule a notice from each of the House Leaders of the opposition parties. When necessary we can disagree with each other, but when this institution is threatened by the kind of statements which were made yesterday our approach is that of people who are concerned about what happens to Parliament.

My question of privilege deals with statements made by the Prime Minister in French to French students. I have only a rough translation of a rough statement. I propose to read some of them to Your Honour and then, before I conclude, to cite authorities which indicate that these are in fact infringements upon this House. These are some of the statements he made:

They—

Referring to the opposition.

—try to stop the government programs by following the clock. They say—

I do not know whether or not the Prime Minister adopts this statement.

—parliament is rotten because they sit for weeks and don't pass any bills, preventing the government from passing all the laws and measures that are important—

Some hon. Members: Hear, hear!

Mr. Baldwin:

—gabbing for two weeks on government reorganization. They are blocking other things. The tactic of the opposition is to stop the government from doing anything.

Some hon. Members: Hear, hear!

Mr. Baldwin: These statements are slanderous per se.

Some hon. Members: Oh, oh!

An hon. Member: No, they are truthful.

Mr. Baldwin: Certainly they contain a strong innuendo, which no one can mistake, that the opposition parties and their members are guilty of abusing their parliamentary functions and acting with impropriety in the discharge of their duties.

• (11:10 a.m.)

Some hon. Members: Shame!

Mr. Baldwin: Mr. Speaker, no member of this House, not even a Prime Minister who is suffering from unfounded delusions of grandeur, can make these charges and not expect to be called to account for them. I think the right hon. gentleman must school himself to accept the discipline of the rules of this House, as other hon. members do.

These statements are scurrilous and slanderous. In any event, they are riddled with distortions, half truths and perversions of the facts. Bills are passed and have been passed in this House, and any examination of the record will show that. Let us examine the record. Today's order paper contains only nine government measures; as a result of arrangements made, two of them will probably be passed today, leaving seven measures outstanding on the order paper. That is a fact which the Prime Minister ought to have known before he made these statements.

A statement was made yesterday about the Public Order (Temporary Measures) Act. Shortly before the final passage of that Act, some of us conducted an examination of the time spent on it. Examination of the record indicated that government members had taken more time on that bill than any other party.

Some hon. Members: Hear, hear!

Mr. Baldwin: The Prime Minister has seen fit to level his charges primarily in respect of the government organization bill. I will not go back into the history of that bill and Your Honour's decision with respect to its omnibus nature. But let it be known that less than four hours were taken on second reading. Approximately 20 hours, or four days, were spent on the environmental aspect of the bill, which could be brought to a conclusion at any minute, as the government knows, by a certain procedure. Less than six hours were spent in dealing with the question of ministers of state. One hour was spent in dealing with the Department of Energy, Mines and Resources, one hour was spent in dealing with the Department of the Postmaster General, and so on. When one examines clearly and honestly the time that has been spent on this bill which has been improperly brought before the House—when I say "improperly" I am not

reflecting on Your Honour's decision but on the decision made by the government to bring it in—one will see that not that much time has been spent on it by the House.

Mr. Woolliams: It is just a salary raise for the Liberals.

Mr. Baldwin: Mr. Speaker, the House Leaders attempt as best they can to deal with difficult problems and operate through the usual channels to try to facilitate the business of the House. I will not go into the details of the meetings of House Leaders. Nevertheless, discussions took place not so long ago, and I will be corroborated in this statement by the House Leaders of the other parties, with regard to ways and means of working out a time-table and schedule and, if necessary, a possible House order with regard to the government organization bill. In light of the statements made by the right hon. gentleman, how can meetings of this type possibly continue to function? In view of the Prime Minister's statements, how can it be reasonably expected that members of the opposition parties will try to work out a form of timetable and a reasonable schedule for dealing with an important matter of this kind?

If the Prime Minister spent more time here he would realize that when legislation is introduced which in part or in whole is obnoxious and repugnant to the opposition parties, those parties would be derelict in their duty if they did not oppose that legislation vigorously, actively and, if necessary, to the point of arousing public opinion. If the representations of public opinion which I see, hear and read about in respect of the government organization bill are accurate, then I submit that the Prime Minister is very much in error if he thinks that there is a great demand on the part of the people of this country for passage of the government organization bill.

Mr. Woolliams: The Liberals want to increase their own salaries.

Mr. Baldwin: I do not intend to say any more. I simply want to quote to Your Honour from Erskine May's Parliamentary Practice, Seventeenth Edition, pages 118 and 119:

> —breach of privilege by speaking words defamatory of either House or its proceedings,—
>
> Anagolous to the publication of libels upon either House is the publication of false or perverted, or of partial and injurious reports of debates or proceedings of either House or committees of either House—

At page 119, there is a list of cases, which are well-known to Your Honour, in proof of this comment. There is a repetition at page 124:

> Analogous to molestation of members on account of their behaviour in Parliament are speeches and writings reflecting upon their conduct as members.

Anything which constitutes a contempt in a court of law must be considered as a breach of the privileges of the House. I am not going to make a motion, Mr. Speaker. I think Your Honour has ruled in the past that while matters of this kind raise a proper point of privilege, they are not points of privilege which can be the subject of a motion. However, I submit to Your Honour and to hon. members that the kind of conduct of the Prime Minister yesterday, whether committed on bad advice, in ignorance or bad temper, is not the kind of conduct which is conducive to the passage of legislation in this House and to the good conduct of the proceedings of this institution.

Some hon. Members: Hear, hear!

Mr. Speaker: As indicated by the hon. member for Peace River, similar notices were filed with the Chair by the hon. member for Winnipeg North Centre and the hon. member for Lotbinière. Rather than having three separate and extended debates on the same subject, it might be more appropriate if we heard as briefly as possible from the hon. members who have filed similar notices, the hon. member for Winnipeg North Centre and the hon. member for Lotbinière.

Mr. Stanley Knowles (Winnipeg North Centre): As already indicated by Your Honour, I gave you notice this morning under Standing Order 17(2) that I wished to raise a question of privilege. I do so in concert with the hon. member for Peace River (Mr. Baldwin) and the hon. member for Lotbinière (Mr. Fortin). I indicated in my notice to Your Honour that the point of privilege that prompts me to rise to my feet is the fact that statements made outside the House of Commons by the Prime Minister (Mr. Trudeau) have the effect of interfering with my role as one of the House Leaders and of interfering with the role of the four House Leaders collectively, and therefore these statements are damaging to the progress of business in the House of Commons.

I do not rise in anger, or with any thought of trying to return blow for blow or to castigate the other side, but to make an earnest plea. I make this plea on behalf of Parliament. I believe that this is a tremendous institution and that it can continue to do a job for the people of Canada. My plea is that it be permitted to do so without remarks of contempt and derision that destroy the good will necessary for the work of this House of Commons. As I have already said, and I shall endeavour to stick to my statement, I do not wish to return blow for blow or to castigate the Prime Minister, but I do make a plea to him to make a real effort to understand this place and to give it an opportunity to function as I believe it can.

• (11:20 a.m.)

I have said that the nub of my question of privilege is that statements such as were made outside the House yesterday constitute an interference with the work of the House which has been entrusted to the four House Leaders. I point out that this very morning, when we get past the question period, the report stage and third reading of two separate bills will be called. One has to do with the Canada-Jamaica tax agreement and the other has to do with crop insurance. In both these cases we reached agreement yesterday that there would be no debate at

these final stages. I hope and believe that hon. members behind us on this side of the House will stay with this agreement. It has not been made an order of the House; it is one of those gentlemen's agreements which has been made on the basis of good will. But it is extremely difficult for the House Leaders to go among their backbenchers and get agreement on this sort of thing when statements about the opposition are made such as were made yesterday by the Prime Minister.

Not only did we reach agreement about what we should do this morning, but two days ago we reached agreement that the report stage and third reading of the CNR financing bill would be put through without debate. Again, last Friday we reached an agreement on the floor of the House that even though a point of order had been raised in connection with the ambient air bill upon which a ruling had to be made, the debate should nevertheless be concluded and when Your Honour had given your ruling, as you did on Wednesday, there would be no further debate.

The fact is that the four House Leaders are getting along well. We have good relations. We exercise good will. It just so happens that the Government House Leader is not here today, but if he were here and felt free to speak I believe he would agree with us that what has taken place constitutes an interference with the job which has been assigned to us.

My plea to the Prime Minister is that he cease and desist from making remarks, such as those he made yesterday and has made a number of times, showing contempt and derision, for such remarks destroy good will and slow down the work of Parliament. May I say in passing that when the Prime Minister talks about delay and obstructionism he does not know the meaning of those words—he has not been here long enough. The kind of delay and obstruction which took place in the past just does not take place today. In fact, under today's rules it cannot take place.

When the Prime Minister says that the government must do something about the rules, I remind him that four times since the Liberals came back into power in 1963 they have changed the rules on the basis of government majorities. The rules are the way they want them, so why this talk about further changes in the rules, further streamlining of Parliament? Hon. members opposite have got the rules they want. Indeed, they said they had tricked us into passing some they did not really care about. But my point is, that the charge of obstructionism comes from one who, I am afraid, does not sense the spirit of this institution and does not understand it. I say that this institution has served the country well for over a hundred years and it can and will continue to do so. But it becomes very difficult when the gentleman who happens to be the Prime Minister of Canada treats this place with contempt and derision as he does far too often. I did not think of those words; they are the words he himself used when describing what happened in a certain incident a while ago. What is hard on this Parliament is not delay, not obstruction, not debate, not critical examination of government proposals; what is hard on this Parliament is treating it with contempt.

I recognize that there are no precise Standing Orders or citations that deal with this kind of situation and I realize why there are not. This sort of thing is not expected from hon. members. But there are citations on pages 98 and 99 of Beauchesne's Fourth Edition which say, as the hon. member for Peace River pointed out, that anything that would be a contempt of court has to be so treated in the House of Commons as well. There should not be disorderly, contemptuous or insolent language or behaviour, or other disturbing conduct. I think these propositions are axiomatic. But if this Parliament is to get along there has to be good will, and I believe we can have it and go forward on that basis.

I hope the House will agree that I have kept to the mood in which I said I rose. I am not standing here to return blows. I am standing here on behalf of the Parliament of Canada, the people's Parliament, pleading that there be a cessation of contempt and derision, that Parliament be allowed to do its job. If it is allowed to do so, I believe we shall continue to serve the best interests of the people of Canada.

[*Translation*]

Mr. Speaker: As I suggested a moment ago, I should recognize the hon. member for Lotbinière (Mr. Fortin) who has given the Chair the same notice as the hon. members who have just spoken. The hon. member for Lotbinière has the floor.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have taken cognizance of statements made yesterday by the Prime Minister (Mr. Trudeau) to a group of students from the universities of Montreal and Quebec. I subsequently met these students myself and was able to see the results of the Prime Minister's shattering and insidious statements about Parliament. I felt it was my duty to joint our efforts with those of the leaders of the two other opposition parties in order to show "the other side of the coin" in an attempt to restore Parliament's prestige in the eyes of the Canadian people.

• (11:30 a.m.)

In his speech to a group of students yesterday, the Prime Minister seized the opportunity not only to minimize the part played by the opposition, but also to launch a regular attack on the latter's position with regard to legislative measures. That could be considered as a political manoeuvre, but, and this is more serious, he stated that the opposition had no valid part to play and that it hindered good government.

To support his contentions, the Prime Minister quoted doubtful Parliamentary statistics, as is shown by those mentioned by the hon. member for Peace River (Mr. Baldwin). He quoted those figures which gave only one side of the picture, stating that, if Parliament's work is not progressing more rapidly, the fault lies with the opposition whose only purpose is to create obstacles and to "get" the government through attrition.

He went further still, stating that the opposition should not study legislative proposals with such care, but should do its best to have them adopted as quickly as possible; in short that the opposition should be content to speak without saying anything.

Mr. Speaker, that is really too much. The present government is looking for a scapegoat because of its failure. It is looking for excuses for its lack of success and, by attacking dishonestly and insidiously the members of the opposition, it is achieving two definite goals. And that is serious and it is for that basic reason that I am in agreement with the other House leaders.

First, the government blames the opposition for its own failure so that the Canadian people will forget what goes on here.

Then, it tries to subdue Parliament, as that is the ultimate result it wants to achieve under the pretext of efficiency, and says so itself.

Mr. Speaker, as regards efficiency, one may recall a long debate which took place in the House. The government has devised a new type of bill: the omnibus bill, the package deal, in which dozens of proposals are included. And always for the sake of efficiency, the opposition is requested to adopt the whole bill in one shot.

Well, the opposition's role is precisely to keep an eye on legislation and to co-operate with the government in defending the interests of the Canadian people.

Mr. Speaker, if, sometimes, it may seem to the Prime Minister that the passing of legislations is delayed in the House, this is in direct consequence of the attitude of the government regarding Standing Orders, of its way of operating at the parliamentary level, which puts the opposition in an impossible situation.

If, furthermore, Parliament cannot be protected by Standing Orders after having been placed in an impossible situation as was said by the other House leaders, then, Parliament is downgraded. It loses its meaning, and the role of the member of Parliament is minimized to such an extent that he becomes a mere number, an individual who draws his pay cheque at the end of the month.

Mr. Speaker, we have an important role to play in this House and if the Prime Minister is irked by certain delays, he is to blame for that situation which compels us sometimes not to delay consideration of a bill, but to study it thoroughly, because it is too complex.

By his irresponsible statements which probably he does not mean really, the Prime Minister tramples down—this is serious and this is why we are protesting today—the essential and vital role of the opposition in every parliamentary system and especially in ours. In doing so, he finds an excuse to increase his control on the supreme institution of Parliament. He wilfully attempts to depreciate the Canadian parliamentary institutions.

Mr. Speaker, we are convinced that the present Prime Minister sets us back twenty years at the parliamentary level. That is the most serious matter and the basis of my question of privilege. The Prime Minister is undertaking a drive to run down the Canadian Parliament. This is a much too serious matter to let it go without protest.

I conclude now by endorsing the comments of the hon. members for Winnipeg North Centre an Peace River (Messrs. Knowles and Baldwin). The Prime Minister may think that Parliament is at his service, but he is wrong. The Canadian government is serving all Canadians without exception and I would like to point something before resuming my seat: the opposition is the conscience of the government. The Prime Minister's statements, unfortunate and big with consequences, indicate that he would like to be rid of his conscience but we shall not be overcome. We are here to defend the Canadian population, in spite of the Prime Minister!

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have little inclination to deal with the accusations which have just been made. I would say though, if it lightens your task, that I stand by the substance of everything I have been reported as having said.

Some hon. Members: Hear, hear!

Mr. Trudeau: I say that I stand by the substance because there may be some points of detail which would bear correction. I think it would be easier for you, Sir, to judge whether I did hold Parliament in contempt if you knew the circumstances in which this exchange took place.

When I left the House of Commons I was asked to meet a group of students from the province of Quebec, and I gladly did so. I think it is fair to say that I was met at the outset with a slight amount of hostility.

Some hon. Members: Oh, oh!

Mr. Trudeau: As soon as I began to talk about our parliamentary system I was met with laughs of derision, Mr. Speaker, by people who apparently do not hold this institution in very high regard. The first question they asked me had to do with the use of the question period. They could not get over how stupid the opposition was—

Some hon. Members: Oh, oh!

Mr. Trudeau: —in its use of the question period. My answer to them was a defence of the institution. It was to indicate that even though the question period may not have been used all that successfully in their presence, it was an extraordinarily important institution because every day it permitted the opposition in the name of the country to question the government about its acts and sometimes to discover injustices or disorders in governmental conduct. The whole tenor of my exchange with them was one of defending this institution.

Some hon. Members: Hear, hear!

Mr. Trudeau: I do not mind admitting that I agreed with them that the opposition was not using the period

very skilfully and intelligently, and I did not mind agreeing with them that I could understand that they thought this place was falling into decadence because we spend days and weeks debating points rather than bringing debates to a conclusion by a vote, as the democratic system wants.

In this sense, Sir, I was pleading the excellence of the institution to them while conceding that it was not always well used. Perhaps I was biased in not saying that the government itself is perhaps also guilty of some misuse. The point I am making is borne out, I believe, by the hon. member for Lotbinière (Mr. Fortin), who met with them later and who said, in his words, that he was able to see the results of our exchange. I do not think he would believe that I convinced them in a very few minutes that Parliament was a place of nonsense. He must assume that they came here with a lot of these prejudices in mind, and that I did not take these prejudices out of their minds in the few minutes I met with them surely cannot be ascribed to me. I think his own testimony, on which he seems to be accusing me, was on the contrary—

An hon. Member: He is breaking the rules now.

Mr. Speaker: Order, please. I apologize to the right hon. Prime Minister for interrupting, but it seems to me that the right hon. gentleman should be allowed to make a statement as other hon. members were allowed to do.

Some hon. Members: Hear, hear!

Mr. Trudeau: That is about what I wanted to say, Mr. Speaker. I certainly can understand why the opposition was misled because apparently they read reports of the exchange but of course they missed the beginning of the exchange and they missed the context in which it took place.

I might say that I read the report in *Le Devoir* by a French reporter who was there. There was a slight bit more of the context, but I am quite sure he missed the beginning too.

This being said, I am a little bit surprised that all the opposition parties went to the extent of giving you notice, Sir, that I had treated this place with contempt and derision, without even having looked at the complete circumstances in which the exchange happened. If I were that touchy there might be a question of privilege I might raise. Indeed, there might be one in respect of something I understand the Leader of the Opposition (Mr. Stanfield) said about me, that I never open my mouth here except to mouth obscenities, or something to that effect. My comment, Sir, is that this may be a point of debate, but I do not want to raise a question of privilege on this kind of matter and I am really surprised that the opposition is wasting the time of the House doing so.

• (11:40 a.m.)

Mr. Speaker: Order, please. I do not think hon. members would want to pursue the matter further. The hon. members who raised this question by way of privilege indicated that they did not wish to propose or submit a motion for further consideration by the House. The hon. members who spoke in the course of this brief debate know the rules as well as I do and realize that in the absence of grounds for putting a motion there is no ruling required by the Chair. I would suggest only that perhaps the speeches made by the hon. members of the opposition and the reply made by the Prime Minister might help somewhat to clarify the situation and clear the air.

I should like to suggest one thought. To my way of thinking, Parliament is the kind of institution that can function only with good will between individuals and between parliamentary groups. It seems to me there has been good will among individuals in this House and between House Leaders; that has been pointed out by one or two of the hon. gentlemen who have spoken. To the extent that there has been co-operation, understanding and good will among the parliamentary representatives of the House, we have made progress during this and previous sessions. I should think that if an effort were made by all of us there will be an even greater measure of good will and even greater progress for the benefit of the institution.

Some hon. Members: Hear, hear!

Mr. MacInnis: Mr. Speaker, I rise on a point of order in order to receive from you, Sir, a clarification of the rules of the House. Is it permissible for members in the future to refer to other hon. members as "he" and so on as the Prime Minister has just done?

Mr. Trudeau: Let us have a ruling on that.

[*Translation*]

ROUTINE PROCEEDINGS

HEALTH, WELFARE AND SOCIAL AFFAIRS

Third report of Standing Committee on Health, Welfare and Social Affairs—Mr. LeBlanc (Rimouski).

[*Editor's Note: For text of above report see today's Votes and Proceedings.*]

* * *

[*English*]

NATIONAL DEFENCE

TABLING OF DOCUMENT ON BILINGUALISM IN CANADIAN ARMED FORCES

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table of the House in both official languages a document with regard to the plan to increase bilingualism in the Canadian Armed Forces.

Canadian National Railways

MAIN ESTIMATES, 1971-72

REFERENCE OF VOTE L10 AND VOTE 5 TO STANDING COMMITTEES

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, pursuant to Standing Order 59 I should like to move, seconded by the Minister without Portfolio from Longueuil (Mr. Côté):

That the following items in the estimates of sums required for the service of Canada for the year ending March 31, 1972, be referred to the following standing committees:

To the Standing Committee on Health, Welfare and Social Affairs vote L10 relating to Central Mortgage and Housing Corporation.

To the Standing Committee on National Resources and Public Works vote 5 relating to the Department of Public Works.

I should explain that it is my understanding that this now completes reference of the estimates to the committees in accordance with discussions which I believe have taken place.

Motion agreed to.

* * *

TRANSPORT AND COMMUNICATIONS

REFERENCE OF QUESTION OF FINANCIAL STRUCTURE OF CANADIAN NATIONAL RAILWAYS TO STANDING COMMITTEE

On the order: Government Notices of Motions:

February 24, 1971—The President of the Privy Council:

That the question of the financial structure of the Canadian National Railways be referred to the Standing Committee on Transport and Communications.

Mr. Speaker: Pursuant to Section 2 of Standing Order 21 this Government Notice of Motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I believe there would be unanimous agreement to pass this motion now without debate.

Mr. Speaker: Is this the wish of the House?

Some hon. Members: Agreed.

Hon. Donald S. Macdonald (for the President of the Privy Council) moved:

That the question of the financial structure of the Canadian National Railways be referred to the Standing Committee on Transport and Communications.

Motion agreed to.

[Mr. Macdonald (Rosedale).]

ORAL QUESTION PERIOD

BILINGUALISM

APPLICATION OF ARMED FORCES POLICY TO OTHER FEDERAL DEPARTMENTS AND CROWN CORPORATIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the document just tabled by the Minister of National Defence setting out the directions in respect of bilingualism in the Department of National Defence, now that government policy has been defined in the military services are the same levels of bilingualism to be attempted for civilian employees in other federal departments and Crown corporations?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, the idea of bilingual units or unilingual units in various sections of the government service has been explained to the House on previous occasions. I believe that all the Department of National Defence is doing is applying this idea to its own department but in a way, of course, which is particular to it and cannot be transposed identically to other parts of the government.

Mr. Nowlan: Mr. Speaker, from the Prime Minister's answer are we then to understand that there will be different degrees of bilingualism within different departments of the federal service?

Mr. Trudeau: Mr. Speaker, I am not aware of what the member is referring to when he talks of different degrees of bilingualism. Some people can speak better than others, yes.

Mr. Nowlan: I quite appreciate that some people can speak better than others and that some are better at pantomine than others. That really was not the question. The document which has been tabled sets out different levels of bilingualism for the services and I am attempting to find out if the levels of 40 per cent and 35 per cent for the different ranks within the services in 1976 and 60 per cent and 55 per cent in 1980 are to be the levels that are to be attempted in other federal departments and Crown corporations. That was what I was trying to say.

Mr. Trudeau: Mr. Speaker, this document refers to the Department of National Defence and it has particular application, as I just answered. There is no indication that these percentages will be applied elsewhere. If some system of percentages is to apply it will be announced in due course. On the application of these it would be preferable if the hon. member would ask the Minister of National Defence who is better briefed than I am on what goes on in his department.

ARMED FORCES POLICY—METHOD OF ATTAINING PERCENTAGE LEVELS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, without debating with the Prime Minister whether there

will be a special status within federal departments and different levels of bilingualism within departments, I should like to ask the Minister of National Defence this question. In view of the present complement of 10 per cent bilingual personnel in the officer class and approximately 20 per cent in the non-commissioned class, will the attainment of percentages of bilingualism of 40 per cent and 35 per cent by 1976 in those classes and 60 per cent and 55 per cent by 1980 be achieved by freezing recruitment in the Anglophone area and stimulating recruitment in the Francophone area?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, if the hon. member had read the document in full he would have noted there is a very extensive section devoted to the acceleration of language training for both language groups. Perhaps I might indicate to him that the dates set forth are in effect target dates, that the principle still applies that no one not qualified will be promoted, and that, indeed, the overriding factor of importance is the effectiveness of the force. If it should be found that effectiveness would be impaired by these target dates, of course they would have to be moved along. Having said that, I emphasize that we will make every effort to give effective language training to every member of the department who wishes to take it.

ARMED FORCES POLICY—EFFECT ON PROMOTION OF ENGLISH-SPEAKING PERSONNEL

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to ask the Minister of National Defence if this policy is part of a move to reduce the numbers in the forces by discriminating against promotion so far as English-speaking personnel are concerned, officers and NCO's who have not been brought up to speak French, do not find it possible to do so, and therefore in effect will be forced to retire or stay at the same ranks they have now for the rest of their service?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I would think no one approaching this question of bilingualism either in the forces or elsewhere could regard the proposals set out as representing any form of discrimination whatsoever. They apply to both language groups.

[*Translation*]

APPLICATION OF ARMED FORCES POLICY TO FRANCOPHONE PERSONNEL THROUGHOUT CANADA

Mr. Louis Roland Comeau (South Western Nova): Mr. Speaker, I should like to put a supplementary question to the Minister of National Defence.

I have not read the document in question. Do those changes apply to all French-speaking Canadians, that is to those who do not necessarily live in the province of Quebec?

Hon. Donald S. Macdonald (Minister of National Defence): Yes, Mr. Speaker, they apply to all the Armed forces, throughout Canada. We intend to make certain changes with regard to the Francophones in Edmonton, for instance, to give them the opportunity to speak their mother tongue in Edmonton and elsewhere.

Mr. Roch La Salle (Joliette): Mr. Speaker—

Mr. Speaker: Does the hon. member for Joliette wish to ask a supplementary question?

Mr. La Salle: Yes, Mr. Speaker.

I would like to ask the hon. minister whether this new policy will from now on enable the whole population of Quebec to hear command given in French in the army?

Mr. Macdonald (Rosedale): Mr. Speaker, allow me to assure the hon. member and this House that there really is nothing new with this policy. It had been suggested by my predecessor. The idea is to make sure that in and outside the province of Quebec, where French-speaking divisions are concerned, all commands will be given in French and all the business of the units will be conducted in this language.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): I would like to ask the Minister of National Defence whether the aims and objectives of the Canadian defence forces are to protect the security of the nation or to become a cultural pool for Canadians?

Mr. Macdonald (Rosedale): Mr. Speaker, may I point out to the hon. member that certain French-speaking units, particularly those based at Valcartier, protected the security of Canada very well last October and November—

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): —and the policy of bilingualism put forward here is to assure that that same loyalty and opportunity will exist in the forces in the future.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Woolliams: I would think the hon. member for Calgary South would have something to say about that. He has to fight the next election.

Mr. Speaker: Order, please. I wonder if we might change the subject now. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Woolliams: Go and say that in Calgary.

Mr. Speaker: Order, please.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

REMARKS BY PRIME MINISTER OUTSIDE HOUSE CONCERNING OPPOSITION—REQUEST FOR STATEMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since the Prime Minister has been critical of the way in which the business of the House has been conducted, particularly the role of the opposition, and since this criticism has been made outside the House, would the Prime Minister be prepared on motions on Monday to lay before the House any criticisms he has regarding the conduct of the business of the House in order that they may be answered, rather than being made outside the House where they cannot be replied to?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is my impression that the answers were given this morning even though the criticisms have never been made.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since the main reason for the Prime Minister's criticism is the alleged delay in the passage of the government organization bill which is in his name, would the Prime Minister be prepared to facilitate the passage of that legislation by being present in Committee of the Whole, particularly when we are dealing with those sections of that legislation which have to do with his office particularly? I am referring to the appointment of ministers of state and additional parliamentary secretaries.

Mr. Trudeau: Mr. Speaker, if some agreement could be reached whereby an arrangement on the use of time could be agreed to by the whole House and if my presence here would permit that to happen, I would gladly be present to explain why we think it is the business of the executive to reorganize itself in a way in which it could deal more expeditiously with the affairs of the nation.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I thank the Prime Minister for agreeing to attend the House.

Some hon. Members: Oh, oh!

INTRODUCTION OF AMENDMENTS TO UNEMPLOYMENT INSURANCE ACT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Since the House can only deal with legislation that is placed before it, how soon can we expect the amendments to the Unemployment Insurance Act, which the Prime Minister said a few days ago would be presented in a matter of days? We are still waiting for that legislation. How soon can we expect that legislation so that we can get on with this very important matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the leader of the NDP is prepared to work out an arrangement whereby all legislation, including the bill he asks about, could be passed in a normal amount of time between now and the end of this part of the session, I would gladly give him that indication. We have a lot of matters to deal with, including the bill he suggests, but there is no point in putting it on the order paper if the opposition is going to continue, as it has given us notice, to stall on the government organization bill forever.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker, I think it is quite apparent from the rules of the House that the government can put any legislation it wants on the order paper so that members have adequate time to examine and study it. What is happening in the House at the moment does not preclude the government in any way, shape or form from bringing down legislation.

Mr. Trudeau: On the same point of order, Mr. Speaker—

Mr. Speaker: Order, please. May I suggest to the Prime Minister, and to the hon. member who just rose on a point of order, that it seems to me we are reviving the question of privilege upon which we spent some time at the opening of proceedings. I doubt whether we should take more time on that subject, at the moment in any event. It might be revived on some other occasion, but I suggest not during the question period this morning.

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[*Translation*]

CRIMINAL CODE

ABORTION—CONFERENCE OF ROMAN CATHOLIC BISHOPS OF CANADA

Mr. Henry Latulippe (Compton): Mr. Speaker, may I ask the hon. Minister of Justice a question concerning the special day of April 25, organized by the Canadian Catholic Conference of Bishops.

Will the government co-operate with the religious authorities to ensure the success of this day organized to fight abortion, which was legalized by this Parliament?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I read last night the announcement from the Catholic bishops of Canada in this connection and I have nothing to say about it for the time being.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, can the Minister of Justice inform us when we are to have the two-day debate on abortion in the House?

Mr. Turner (Ottawa-Carleton): I have been in consultation with the House Leader about that, Mr. Speaker, and he will bring the matter forward in the House at an appropriate time. I think that the hon. lady may be going farther than we have in suggesting how many days we ought to debate it. I hope that will be a matter for the Government House Leader and the House Leaders of the other parties to decide.

ADMINISTRATION OF JUSTICE

HIJACKING OF WESTERN AIRLINES PLANE TO VANCOUVER —DEPARTMENTAL ACTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to direct a question to the Minister of Justice; I gave him notice. It has reference to the American hijacker who, by means of threatening violence, diverted a Western Airlines Boeing 737 to Vancouver, which was flying from San Francisco to Seattle. What course of action is the Department of Justice planning and, if the American authorities seek extradition of the accused, will the minister and his department co-operate in this regard? Further, is the person in question in custody?

Mr. Speaker: Order. I have the impression that the question has hypothetical overtones, but perhaps the minister might find some way to give some information that might be helpful to the hon. member and to the House.

Hon. John N. Turner (Minister of Justice): I would be glad to deal with the question so far as the rules permit, Mr. Speaker. I received a preliminary report concerning the hijacking yesterday of a Northwest Airlines Boeing 737 while on a flight from San Francisco to Seattle. The flight terminated at Vancouver International Airport, and an individual is now in custody. A number of questions arise which may have to be determined as soon as I have an opportunity for a full examination of the facts and the opportunity to consult my appropriate colleagues in the cabinet.

The hon. gentleman mentioned the possibility of extradition. At the moment there has been no request for extradition by the United States government. I might say that the other alternatives I will have to consider are whether or not to consent to prosecution under section 5A of the Criminal Code. The government will also have to consider the possibility of deportation. But I think I can assure the hon. member and members of the House that this matter will be given immediate and careful consideration by the government.

Mr. Woolliams: Since this is a serious international problem and as there is a tremendous amount of commercial air travel between the United States and Canada, could the minister advise us whether he has had a chance to look into whether this crime of hijacking, to use a colloquialism, is covered by the extradition agreement between Canada and the United States?

Mr. Turner (Ottawa-Carleton): That is one of the factors that will have to be taken into consideration. I hope the hon. member will not ask me for a legal opinion.

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POLLUTION

SUGGESTED MEETING WITH NOVA SCOTIA MINISTER ON ACTION TO EXTINGUISH SPRINGHILL MINE DUMP FIRE

Mr. Robert C. Coates (Cumberland-Colchester North): I have a question for the Minister of Energy, Mines and

Resources. Yesterday in the Nova Scotia legislature the report prepared by the Department of Energy, Mines and Resources on the Springhill mine dump fire was tabled, outlining ways and means of extinguishing that fire. Would the minister be willing to meet with the Nova Scotia Minister of Mines, who is also the minister responsible for pollution control, to determine what action might be taken by both the federal and provincial governments which would result in extinguishing the mine dump fire at the earliest possible date in view of the statement made in the report that the fire "is becoming an increasing hazard to the town environment"?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): I believe the hon. member asked a similar question yesterday and I had my officials check into the matter. I am instructed that they received a copy of the proposal by Home Town Construction Ltd. only yesterday, Thursday, and they are currently studying its contents in relation to the technical report they have already prepared on the fire at Springhill. As yet they are not aware whether the Nova Scotia government has received a copy of this proposal. We would give an opinion on its merits to the provincial government based on our findings, but so far we have received no such request from the government of Nova Scotia. May I add that in all matters dealing with the Springhill dump fire my officers are in contact with the Department of Mines of Nova Scotia.

Mr. Coates: May I say for the minister's information that I am referring to a report that was forwarded to the Deputy Minister of Mines of Nova Scotia by T. E. Tibbetts of the coal and peat resources evaluation section of his department which relates to the examination of the mine dump fire conducted by his department for the Department of Mines of Nova Scotia. What I am now asking the minister is whether, on the basis of this report, he would be willing to meet with the Minister of Mines for Nova Scotia to determine how action can best be taken to extinguish the mine dump fire.

Mr. Greene: I am not sure how our report relates to the Home Town Construction Limited report.

Mr. Coates: It does not.

Mr. Greene: But I would be very pleased, as the hon. member suggests, to meet the mines minister from Nova Scotia if this would be of help.

* * *

EXTERNAL AFFAIRS

POSSIBLE BREAK-UP OF COMMONWEALTH COMMITTEE ON SECURITY IN INDIAN OCEAN

Mr. Andrew Brewin (Greenwood): My question is for the Prime Minister. I would like to preface it by saying that there appears to be intense diplomatic activity within the Commonwealth with regard to the future of the study group on security in the Indian Ocean arising out of the proposed British arms sales to South Africa—

Inquiries of the Ministry

Mr. Speaker: Order, please. I suggest to the hon. member that he should put his question.

Mr. Brewin: I was just coming to it, Mr. Speaker. What action or leadership is the Canadian government taking in this crisis which may affect the future existence of the Commonwealth?

Right Hon. P. E. Trudeau (Prime Minister): We are pursuing the action which we began in Singapore and which did not meet with the approval of the opposition. None the less, it is the action we are pursuing.

Mr. Brewin: I wonder if the Prime Minister could tell us what action he was pursuing that was not approved by the opposition.

Mr. Trudeau: The hon. member might read the statement that the leader of his party made when I returned from Singapore.

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INDUSTRY

MAINTENANCE OF OPERATION OF McBEAN COAL MINE

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of Energy, Mines and Resources. In view of the serious unemployment problem in Nova Scotia, will the minister advise the House what reply has been given to the request of that province's mines minister for a $2 million grant over a two-year period to continue the operation of the McBean mine in Pictou county?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): I have had meetings with both the mines minister and the premier in regard to the McBean mine. The subsidy program is, of course, expiring. The coffers of the subsidy program are empty. We are considering their suggestion at present but as yet have no answer for them.

While I am on my feet—

Mr. Speaker: Order, please. I wonder if the minister might allow the hon. member a supplementary question. Perhaps after that he will be given the floor for the purpose of answering a prior question.

Mr. Muir: May I ask the minister how long it will take, how many weeks or months, before a decision has been reached by the cabinet with regard to this request for a grant by the Nova Scotia mines minister, Mr. Sullivan?

Mr. Greene: I cannot put a definite date on it but I can assure my hon. friend that my department is working on it very actively, and we will have a recommendation one way or another as soon as possible.

[Mr. Brewin.]

OIL

SUGGESTED FEASIBILITY STUDY OF ECONOMICS OF BUILDING PIPELINE FROM WEST TO SERVE EASTERN CANADA

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to answer a question put by the hon. member for Calgary North. He has been most patient in waiting for an answer, for which I thank him.

In response to his question may I say that the government does not envisage embarking, either alone or with outside help, on any special study of the economic feasibility of a pipeline from western Canada to markets east of Ontario. The National Energy Board is, however, keeping itself fully informed as to the factors bearing on such a project. I expect the board to be able to advise the government as to security factors bearing on oil supply to eastern Canada and on the relative competitive position of western Canadian oil in these eastern markets. The board will be in a position to give prompt consideration to any application from the private sector for the construction of such a line.

Mr. Eldon M. Woolliams (Calgary North): I thank the minister for his full answer, but it was not quite an answer to my question. I wonder whether he would reconsider it in these terms. I appreciate the function of the National Energy Board, but I am asking whether, in order to get an economic feasibility study of the building of a pipeline, he would set up a task force rather than leave it to free enterprise or the importers of crude petroleum who are also the ones who would bring it from the Prairies and the Arctic? What I want is an independent study, separate and apart from free enterprise.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Come over here, Eldon.

Mr. Greene: I am shocked and dismayed to find that my hon. friend has joined his colleagues in the New Democratic Party in this view.

Mr. Woolliams: Answer the question.

Mr. Greene: To date we are satisfied that the present system is in the best interests both of the producers in the west and of the eastern consumers. We are going to abide by the present procedures as we think they are more satisfactory than those of the New Democratic Party.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Since we have had conflicting answers about whether or not there has been a feasibility study on extending the pipeline to Montreal, who is conducting such a study and whether it is completed, can the minister now give us a definitive answer? Has a feasibility study been made and,

if so, by whom? Has it been made by the National Energy Board, is it completed, and would the government be prepared to make it available?

Mr. Greene: I do not believe a feasibility study as such has been made in recent years or since the Borden report, but certainly the National Energy Board has the economic facts and figures under constant review. This gives them a very adequate idea from time to time of the economics of such a pipeline, so that if an application is made, they can give an informed decision in respect of such an application. But there is no total, complete and recent feasibility study as such.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister if these studies which have been conducted by the National Energy Board indicate that the extension of the pipeline to Montreal would be economic and in the best interests of Canada?

Mr. Greene: The information I have is that even with the recent increase in world prices of oil it does not appear that a pipeline could be built to bring western oil into the Montreal market without increasing consumer prices for the Montreal consumers.

Mr. Woolliams: May I ask a further supplementary question, Mr. Speaker?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Edmonton-Strathcona. I should bring to the attention of hon. members the fact that once again we are nearing the end of the question period, and if we have seven or eight supplementary questions to three or four questions it will be almost impossible to take care of the entire question period. For the moment, the Chair will recognize the hon. member for Edmonton-Strathcona.

Mr. Hu Harries (Edmonton-Strathcona): Mr. Speaker, could the minister tell us whether there has been any specific reference to the Energy Board to examine alternative ways of serving the Montreal market and, more specifically, has the Energy Board provided any figures? If so, could he say what those figures are which indicate that there would at this time be a price increase if western oil were serving the Montreal market?

Mr. Greene: Mr. Speaker, this is a very difficult question to answer during the question period since it requires a very comprehensive economic study. To the best of my knowledge and information, from the very comprehensive day to day information gathered and studied by the National Energy Board it appears that, of the various ways that are possible, the present system whereby the eastern market is served by offshore oil is the most economic for Canada. The eastern consumer has a good break and we are replacing our own oil resources with offshore oil, which is more economical than our own oil.

Mr. Speaker: Order, please. I suggest that the debate might be terminated at this stage, and that we might move to another part of the country.

[*Later:*]

Mr. Harries: Mr. Speaker, will the Minister of Energy, Mines and Resources table a summary of the figures which have resulted from the continuing study by the National Energy Board of the Montreal supplied market.

Mr. Greene: Mr. Speaker, I will be glad to consider that question and give the hon. member an answer at a later date.

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HOUSE OF COMMONS

SUGGESTED REMOVAL OF MINISTERIAL ROSTER ATTENDANCE SYSTEM

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Prime Minister and is really supplementary to a previous question. Inasmuch as criticism has been levelled at Parliament, and especially at the conduct of the opposition during the question period, and since we are being hindered in the question period by the roster system, would the Prime Minister agree to allow ministers to attend the House and to dispense with the roster system?

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FISHERIES

DESTRUCTION OF FISHING GEAR BY FOREIGN DRAGGERS—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. Is he in a position to tell the House what action he took yesterday with respect to the imposition of a 12-mile limit off the south coast of Newfoundland to deal with the minor incident, to use his words, that occurred? Also, is he prepared to revise the answer he gave yesterday with respect to this alleged minor incident?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, there is no revision. We made sure that the foreign vessels would not be coming within 12 miles of the coast.

Mr. McGrath: Mr. Speaker, may I ask whether the minister took steps yesterday, by way of an announcement through the press, to state that the government has now defined our 12-mile limit within the sinuosity of the coast, as opposed to the straight baseline system, on the south coast of Newfoundland?

Mr. Davis: Mr. Speaker, there was no announcement to the press. However, we have communicated with all the skippers of all the trawlers in the Gulf of St. Lawrence.

Inquiries of the Ministry

VETERANS AFFAIRS

LACK OF PROVISION IN ESTIMATES FOR DISABILITY PENSION AND ALLOWANCE INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the President of the Treasury Board. On February 17, the day on which he tabled the 1971-72 estimates, he took notice of my question regarding the means by which increases in veterans disability pensions and veterans allowances are to be put into effect. Can he now say whether this will be by legislation, by estimates, by $1 items, or how this will be done?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the provision for the variety of measures to which the hon. gentleman has referred arises by legislation. This is achieved in some instances through the appropriation process and in others through statutes which provide for the payments being made without the necessity of any appropriation bill. It is partly the one and partly the other.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, can the minister not tell us in what precise way those two things are being dealt with? It makes all the difference in the world whether we bring in measures to deal with them or whether they are just there as estimates that do not come before the House.

Mr. Drury: Mr. Speaker, I think the hon. gentleman will have an opportunity in the standing committee, when the estimates of the Minister of Veterans Affairs come before it, to deal with, as he puts it, or to inquire into these particular aspects.

Mr. Knowles (Winnipeg North Centre): But we shall not have that opportunity on the floor of the House.

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HOUSE OF COMMONS

INQUIRY AS TO REFORM OF RULES

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, may I direct a question to the Acting House Leader. In view of the action by the hon. member for Joliette, who withdrew from the agricultural committee in disgust yesterday because of the filibuster and unmerited obstruction of the opposition—

Some hon. Members: Order!

Mr. McBride: —does the government plan to recommend a reform of the rules of the House to prevent such obstruction?

Mr. Speaker: Order, please. The hon. member is asking a question about proceedings in a committee. I think he knows very well, and I think that most hon. members know, that such questions are not in order.

[Mr. Davis.]

THE CENSUS

INQUIRY AS TO ORGANIZATION, APPOINTMENT OF CHIEF COMMISSIONER

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Since this is census year, and since I believe he is in charge of the taking of the census, can he inform the House when he expects to announce the composition of the census organization and the appointment of a chief census commissioner?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think it is generally known that there will be a census in Canada in 1971. If more information is needed, I will obtain it and satisfy my hon. friend.

Mr. Thompson: Mr. Speaker, am I to gather that there is no intention of taking a census this year?

Mr. Pepin: Mr. Speaker, I thought it was generally known in Canada that there would be a census in 1971. If there are further announcements to make, we shall make them. If my hon. friend wants more information, as usual I will do my best to please him.

Mr. Harkness: The census must be taken, according to the law.

Mr. Thompson: Mr. Speaker, a great many Canadians are concerned about this because they look forward to supplementing their incomes by participating in the taking of the census. Many questions in this regard have been coming to me and I think that some announcement should be forthcoming.

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INCOME TAX

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Acting Prime Minister in the absence of the Prime Minister who has just left the House. In view of some of the concerns that have been expressed about the business of the House, and since the Parliamentary Secretary to the Minister of Finance has indicated that the income tax legislation to be submitted this spring will be considerably different from the white paper, could the Acting Prime Minister, whoever he now is, inform the House when this legislation will be brought before the House and if every step will be taken to ensure that it is introduced as soon as possible?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I think the Minister of Finance has made it quite clear that the legislation will be brought forward as soon as practicable and, further, that the House will have ample opportunity to consider it.

DRUGS

NON-MEDICAL USE—POLICY STATEMENT—APPLICATION OF CRIMINAL CODE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the latest report put out this week by the Department of National Health and Welfare on transient youth and the very wide disparity between the law and the official and unofficial policies of the government regarding drugs—and I am not being critical—may I ask when we can expect a policy statement by the Minister of Justice on this issue?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the government is reviewing the entire question of the non-medical use of soft drugs and is of course awaiting the final report of the Le Dain Commission.

Mr. Comeau: Mr. Speaker, has the minister consulted with provincial and municipal authorities, especially with the provincial Attorneys General, to discuss how they are to apply the drug sections of the Criminal Code, particularly in view of the latest report published by the Department of National Health and Welfare?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that question was brought to my attention by the hon. member for Simcoe East yesterday, and I am looking at it.

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HOUSING

SUGGESTED TREATMENT AS SOCIAL PROBLEM—GOVERNMENT ACTION

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the hardworking minister in charge of housing. In view of the report yesterday from the Canadian Council on Social Development which indicates that housing ought to be considered as a social problem rather than as a business or an industry, and that the government should accept an over-all responsibility for both the production and distribution of housing throughout Canada, will the government accept this philosophy and its responsibility with regard to the production and distribution of homes throughout the country?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, as always, I am very much in favour of motherhood too.

Mr. Gilbert: Mr. Speaker, I wonder if the minister is also in favour of housing.

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AIR TRANSPORT

PROPOSED FARE INCREASES BY AIR CANADA AND CANADIAN PACIFIC AIRLINES

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Transport.

Inquiries of the Ministry

With regard to the proposed fare increase by Air Canada and Canadian Pacific Airlines on March 6, will the government ask the Canadian Transport Commission to intervene directly and immediately in this proposed fare increase?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I do not believe it is necessary for the government to direct the Canadian Transport Commission. The arrangement is that such tariffs are filed with the CTC. There is then provision for anyone who objects to file such objection. I think the procedure is well established.

Mr. Bell: Since, according to today's paper, there is some indefiniteness about whether they will intervene and since they have never intervened on previous increases, would the minister or any member of the government who may run into Mr. Pickersgill at the Rideau Club over the weekend ask him to get going on this matter?

Mr. Speaker: Order, please.

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POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—APPROVAL BY INTERNATIONAL JOINT COMMISSION OF AGREEMENT FOR COMPENSATION OF CANADIAN INTERESTS

Mr. Mark Rose (Fraser Valley West): In the absence of the Secretary of State for External Affairs, I will direct my question with regard to the Skagit valley flooding to either the Minister of Fisheries and Forestry or the Minister of Energy, Mines and Resources. It is alleged at the present time that the applicant, Seattle Power and Light, does not have any right on Canadian soil because no agreement for compensation of Canadian interests has been approved by the International Joint Commission. Can the minister advise whether there has been IJC approval? If he cannot, will he investigate this matter and reply later?

Mr. Speaker: While the matter is being considered by the ministers, the hon. member for Hillsborough might ask his question.

[*Later:*]

Hon. J. J. Greene (Minister of Energy, Mines and Resources): With respect to the question of the hon. member for Fraser Valley West, I will take it as notice and make inquiries of the International Joint Commission to see if there is any answer.

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EXTERNAL AFFAIRS

NATIONALIZATION OF ALCAN PLANT BY GOVERNMENT OF GUYANA

Mr. Heath Macquarrie (Hillsborough): I wish to direct a question to the Minister of Industry, Trade and Com-

merce with regard to the nationalization of the Alcan property by the government of Guyana, a matter in which he has shown a great deal of insouciance. Can the minister advise what the government is currently doing with regard to this discriminatory action on the part of the Guyanese government?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am surprised at the use of the word "enthusiasm". I do not know exactly on which side he puts one on in this matter. I have shown great "interest". That is the proper word. Discussions are now going on between Alcan and the Guyanese government as to what would be adequate compensation for the nationalization which was announced last week.

Mr. Macquarrie: The word was insouciance, Mr. Speaker, not enthusiasm. What is the government of Canada doing with reference to the government of Guyana in connection with this takeover of property which is important to many Canadians?

Mr. Pepin: The representations I talked about last week which have been made to the Guyanese government with respect to nationalization itself still apply.

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ENERGY

EAST COAST OIL AND GAS RESERVES—TYPE OF DRILLING RIG, COMPANY THAT WILL PERFORM WORK

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to answer the question asked by the hon. member for South Shore with respect to offshore drilling rigs. My information is that the rig is similar to others already in use. The new Sedco I drilling rig has been built by South Eastern Commonwealth Drilling Company of Calgary and Dallas, to be contracted to Amoco Canada Petroleum Company and Imperial Oil Limited. The rig was built at Halifax shipyards. A third unit of this type is currently under construction for later operation by Mobil Oil Canada Limited.

PROGRESS ON AGREEMENT WITH ATLANTIC PROVINCES ON OFFSHORE RESOURCES

Mr. Walter C. Carter (St. John's West): I have a supplementary question for the Minister of Energy, Mines and Resources. Can the minister advise what progress he has made in negotiations with the four Atlantic provinces with regard to offshore resources and whether he expects an agreement to be reached shortly?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the hon. member for Gander-Twillingate asked a similar question which I undertook to answer. Meetings are being held on a continuing basis with the provinces on this matter. The latest of these occurred earlier this month with the premier of Nova Scotia. These are difficult negotiations, but I believe that favourable progress is being made. I am hopeful that we can achieve a resolution of this long-standing and difficult problem.

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ATOMIC ENERGY

POSSIBLE SALE OF PLANT TO AUSTRALIA

Mr. Rod Thomson (Battleford-Kindersley): I have a question for the Minister of Industry, Trade and Commerce. In view of the starting up of the atomic energy plant at Pickering, does the minister have anything new to report on the possible sale of an atomic energy plant to Australia?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I believe this matter falls under my jurisdiction. I have nothing to report at the present time. I believe there is no official position on the part of Australia as to what it will do. As soon as there is anything official, I will undertake to report the matter to the House.

Mr. Speaker: Orders of the day. Perhaps with the consent of the House the hon. member for Comox-Alberni and the hon. member for Cape Breton-East Richmond might be given the opportunity to ask supplementaries.

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ENERGY

NEGOTIATIONS WITH BRITISH COLUMBIA RESPECTING OFFSHORE RESOURCES

Mr. Thomas S. Barnett (Comox-Alberni): I have a supplementary question for the Minister of Energy, Mines and Resources arising out of the negotiations with the provinces with regard to drilling rights. Are there any current negotiations going on with the province of British Columbia on this subject?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): There are no current negotiations going on at the ministerial level with British Columbia. I believe officials are still discussing the matter. However, in all fairness, I think that the position of the government of British Columbia on this subject has been made rather firm. Of course, there is a decision of the Supreme Court of Canada on a reference specifically with regard to British Columbia.

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ATOMIC ENERGY

REQUEST FOR REPORT ON REACTOR SALES AND PROFITS

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary question for the Minister of

Energy, Mines and Resources. When reporting on the possible sale to Australia, will the minister also report to the House on the success of any other sales of atomic reactors and what the profit picture is as far as the Canadian government is concerned?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, that is a more abstruse and lengthy question. We will certainly be glad to answer such questions when the estimates of Atomic Energy of Canada Limited are before the committee, at which time I think I might be able to go into the entire subject more usefully.

Mr. Speaker: Orders of the day.

• (12:30 p.m.)

GOVERNMENT ORDERS

CANADA-JAMAICA INCOME TAX AGREEMENT ACT, 1971

IMPLEMENTATION OF AGREEMENT FOR AVOIDANCE OF DOUBLE TAXATION

The House proceeded to the consideration of Bill C-217, to implement an agreement for the avoidance of double taxation with respect to income tax between Canada and Jamaica, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Donald S. Macdonald (for the Minister of Finance) moved that Bill C-217, to implement an agreement for the avoidance of double taxation with respect to income tax between Canada and Jamaica, as reported (without amendment) from the Standing Committee of Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Macdonald (Rosedale) (for Mr. Benson) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

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CROP INSURANCE ACT

AMENDMENT TO INCREASE EXTENDED COVERAGE

The House proceeded to the consideration of Bill C-185, to amend the Crop Insurance Act, as reported (without amendment) from the Standing Committee on Agriculture.

Hon. Donald S. Macdonald (for the Minister of Agriculture) moved that Bill C-185, to amend the Crop Insurance Act, as reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

Mr. Macdonald (Rosedale) (for Mr. Olson) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. Bell: On a point of order, Mr. Speaker. May I just say that this demonstrates what can be done by friendliness, co-operation and good will. It does not mean that we are scared of the Prime Minister (Mr. Trudeau).

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I wish to thank the hon. member and his colleagues for their change of heart.

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CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed, from Wednesday, February 24, consideration of the motion of Mr. Benson that Bill C-219 to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs, and the amendment thereto of Mr. Saltsman (p. 3648).

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the bill before the House, Bill C-219, purports to be an important initiative on the part of the government to deal with some of our basic economic difficulties. During the past few weeks there has been growing concern in all parts of Canada about the economic trends which seem to be taking us away from the objectives set out by the Economic Council and by spokesmen for a government which just over two years ago, during the 1968 election campaign, suggested they would produce an administration which would deal with some of the fundamental economic problems in Canada.

I have read the bill carefully, and followed the debate thus far. I have listened to the Minister of Finance (Mr. Benson) and to spokesmen on the other side of the House but I can find no hope at all in terms of the bill that it will deal with the fundamental economic ills which are causing such concern at the moment. As a matter of fact, the minister himself, in his explanation inside and outside the House, went to great pains to indicate that the legislation will not deal, for example, with the one great question under discussion at the moment in the media and elsewhere, the question of Canadian economic nationalism. He claims it will have nothing to do with "buying back Canada" and ensuring greater control by Canadians over their own economic destiny. Then again, the minister took great pains to point out that it will have no immediate effect on the incidence of unemployment, underdevelopment and the lack of adequate productivity which are major issues

before Parliament and the nation at the present time. It is only possible to conclude in the light of this analysis that the Canada Development Corporation, as outlined in this bill, was designed more as a political gesture than as a measure likely to have a real economic impact.

Having made this assertion, I should proceed to back it up with concrete evidence. In the first instance, far too many of the legislative initiatives of the government are put forward on the basis of their political impact rather than on the basis of their potential benefit to the economy.

Mr. Pepin: Perish the thought!

Mr. Dinsdale: Because the issue of Canadian economic nationalism is of great concern at the moment, suddenly, after eight years of equivocation, delay and hesitancy, this bill is brought before the House and is being pushed to the completion of the second reading stage. There are many other matters of much greater concern which Parliament would be delighted to deal with if the government would only place the items on the Order Paper and bring them forward for debate. Instead, we are presented with a phony bill which has been talked about by the last two Liberal governments and which, on the admission of the Minister of Finance himself, will do nothing to end the continuing takeover by foreign interests of the Canadian economy.

Spokesmen for the government have pointed out that there is a difference of opinion among various opposition groups as to the effect and significance of Bill C-219. Members of the NDP have criticized the bill because it does not go far enough in meeting the objectives which spokesmen for that party have often put forward. I believe it was the NDP, or its predecessor the CCF party, which first put forward the notion of a development corporation which would give the government sufficient economic power to enable it to operate with considerable effect in the business and industrial world. The criticism offered by the NDP is that the bill would have no significance in this regard. In other words, they are saying it is a shame, full of sound and fury but signifying nothing. On the other hand, spokesmen for the official opposition have been saying that the CDC, instead of assisting in industrial and economic development, will actually have a negative effect. This has been the main concern of spokesmen from the group to which I belong.

It was the Liberal party which first put the notion of a development corporation specifically into the Speech from the Throne back in 1963. At that time the Honourable Walter Gordon was minister of finance. He came to Parliament full of hope and optimism about the brave new world which would be established by his budget proposals, and particularly by the economic enterprise which he described as the Canada Development Corporation. We all know what happened to his budget proposals. This was the ill-starred budget which paved the way for some of the major economic troubles which have beset us to an increasing extent all through the latter part of the decade of the sixties. Indeed, it was the budget chiefly responsible for the runaway inflation, the control of which is still the keynote of the present government's economic policy.

• (12:40 p.m.)

Though the proposition was first put forward formally in 1963 by the former minister of finance, it had been talked about by other Canadian politicians. The Honourable Alvin Hamilton was a leading proponent of the Canada Development Corporation. This was when he was minister of northern affairs and national resources. His idea was to make it possible for Canadians to become involved in the real process of economic development in Canada. Our rich Canadian resources in the underdeveloped parts of this country, which include a large segment of northern Canada, should be developed in the best interests of Canadians in all parts of the country.

It is interesting to note that the government has almost stumbled into an acknowledgement that the role of the CDC is northern oriented, that this is where the action should be. In bringing together the Canada Development Corporation, the organization is largely going to be based, in the early stages of its operations, on three Crown corporations whose activities are largely carried on in northern Canada. I refer to the Northern Transportation Company, Eldorado and Panarctic. The only other major corporation that will become involved in the early stages of the CDC is the Polymer Corporation. Perhaps it is not quite appropriate to describe this corporation as exclusively concerned with the processing and manufacturing of synthetic rubber, because it has now diversified its operations and is reaching out to many other enterprises both inside and outside Canada.

I think it is significant that there is an implicit recognition on the part of government of the necessity for having Canadians more closely involved in developing our resource-based industries in as much as it has based the CDC on these three northern enterprises. Unfortunately, however, there is nothing in the bill to make it possible for Canadians to participate. Indeed, the Canadian participation regulations which were forthcoming in the sixties, before the Liberals returned to office in 1963, were more effective in bringing about real involvement in resource development at the grass roots level than the present proposals in this legislation. These regulations recognized that exploration is of the utmost importance in any potential development of our northern resources, and as a result there was no restriction at the exploration level. In fact, foreign sources of capital were encouraged. Exploration is a rugged task and a highly risky financial operation, and companies were encouraged to explore wherever interest could be found.

However, after discovery of resources it did become necessary under the Canadian participation regulations for these companies immediately to Canadianize their operations, primarily by making at least 51 per cent of their shares available on Canadian stock exchanges. This is a more realistic approach to the basic necessity for

resource development in Canada than any of the provisions in Bill C-219. The very fact that the government has included this northern orientation in the Crown corporations brought under the umbrella of the CDC, is, as I say, implicit recognition of this fact.

Actually, if we are going to deal with the fundamental economic problems that a corporation of this kind is supposed to become concerned with, we have to move in quite radically different directions. Some of these fundamental problems relate to underdevelopment in western Canada and the Maritime provinces. I see nothing in the proposed legislation that will encourage Canadian resource and manufacturing development in areas where this is urgently needed. As a matter of fact, as far as the north is concerned, instead of continuing the initiatives that were taken in the early 1960's the government has tended to discourage this sort of activity by cancelling roads to resources programs. One area where governments can play a useful role in encouraging initiative on the part of private enterprise is in providing the infrastructure—the roads, railways and all facilities necessary—to enable private enterprise to develop Canada's resource potential. But instead of this we find the government tending to back away from its fundamental responsibilities. When the CDC is established it will be highly profit oriented. It will only develop areas where the profit potential is extremely high, and therefore the question of dealing with risk ventures will not be assisted by any manner or means.

This leads me to the discussion that took place in the House earlier today. There has been some criticism that the opposition is less than co-operative with the government in its legislative proposals and initiatives. This criticism has come from the Member of Parliament who holds the highest office in the land, the Prime Minister (Mr. Trudeau), the Queen's first minister. I think our discussion of the CDC at this stage makes it possible to put the record in perspective.

Why are we concerning ourselves at this time with a bill which offers absolutely no chance of dealing with the fundamental economic issues facing Canada? Why are we dealing with this issue when we should be debating, for example, amendments to the Unemployment Insurance Act? This is a matter of vital importance in view of the critical and growing unemployment situation in Canada. Why is a bill of this kind taking precedence over the implementation of the recommendations contained in the white paper on tax reform? Parliament has been waiting for many months now for the Minister of Finance (Mr. Benson) to bring down his proposed legislation based on the long and extensive discussion of his white paper proposals. Why is priority given to this bill, which is window dressing, political posturing, a bill designed to create the impression that the government is doing something to cope with fundamental economic problems when actually it does nothing significant at all?

• (12:50 p.m.)

I am sure if the government put amendments before us—

Mr. McBride: Mr. Speaker, would the hon. member permit a question? Does he also consider the marketing bill, which has been held up for about a year now, to be window dressing?

Mr. Deputy Speaker: Order, please. It seems to the Chair that the question asked by the hon. member can only lead us further away from the bill now under consideration.

Mr. Dinsdale: Mr. Speaker, the hon. member has asked a question and I am very pleased to reply to it. If the agricultural products marketing bill goes through—

Mr. Deputy Speaker: Order, please. The Chair has indicated that the question as asked is irrelevant to the bill now under discussion. If the hon. member for Brandon-Souris (Mr. Dinsdale) answers the question, he will lead this debate away from the subject matter of the measure now before the House. With all respect, I would ask him to bear that in mind.

Mr. Dinsdale: With great respect, Mr. Speaker, I was just making the point that there were other legislative items which should be given greater priority than the Canada Development Corporation. Obviously, the hon. member thinks the agricultural marketing bill is one item of government legislation which should have greater priority.

Mr. McBride: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. Again, the Chair must say that the question asked by the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) is irrelevant to the subject matter now being debated I suggest that the hon. member for Brandon-Souris should continue his remarks.

Mr. Dinsdale: Thank you, Mr. Speaker. I shall follow your directions and carry on with the theme of my remarks. I presume the hon. member was merely trying to introduce a red herring to the discussion.

Mr. McBride: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. I understand the hon. member is rising on a point of order.

Mr. McBride: Mr. Speaker, in no sense did I introduce a red herring. The hon. member for Brandon-Souris suggested there were other more important bills before the House.

An hon. Member: Leave it until Sunday.

Mr. McBride: I suggest that the opposition has prevented many of these bills from coming before the House.

Mr. Deputy Speaker: Order, please. The Chair has been carefully following the remarks of the hon. member for Brandon-Souris and feels they have been related to the bill now before us. I suggest to the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) that his initial question could only lead the House to a renewed debate

on legislation which is now pending. I feel the remarks of the hon. member for Brandon-Souris were in order.

Mr. Dinsdale: Thank you, Mr. Speaker. After this diversionary tactic on the part of the hon. member, I should like to again refer to legislative issues that are fundamental to this House of Commons. The Prime Minister has complained about the way the opposition handles the business of the House. Perhaps members opposite do not understand our practices and procedures, or how Parliament works. Fairly recently we—

Mr. McBride: Mr. Speaker, surely the hon. member is lecturing the House, with some knowledge of its procedures, in an arrogant fashion, hardly befitting a distinguished parliamentarian like himself.

Mr. Dinsdale: Mr. Speaker, I did not ask the hon. member to interrupt. I did have the floor and I yielded to the hon. member. Perhaps we should get on with the debate because time is at a premium today.

Mr. Mahoney: That is an interesting observation.

Mr. Pepin: I wish I had said that.

Mr. Dinsdale: Let me come back to the point I was endeavouring to make. We would be delighted if this government would come to grips with the problem instead of shadow boxing. It should tackle the real issues of concern in Canada. We must do something on an emergency basis to stimulate the economy of Canada. The unemployment situation has been discussed in season and out of season, but this government has continually treated the matter with marked disdain. We must deal with unemployment problems as they exist today. We have some 700,000 people unemployed. There are a great number of companies going into bankruptcy. The DREE program of the Department of Regional Economic Expansion is not having the desired effect because it is being used for political purposes. There is a lack of co-ordination in that we have several departments of government working at odds with each other.

Just before one o'clock I should like to give the House an illustration of what is happening at this time. In 1969 the government adopted, as one of its major initiatives, the concept of bringing down the high cost of drugs in Canada. This is a basic financial issue.

Mr. Deputy Speaker: There has been some discussion among hon. members about relevancy. I think the hon. member who now has the floor is beginning to wander a bit too far.

Mr. Dinsdale: With all due respect, Mr. Speaker, we are at the second reading stage of this bill. During all my experience in this House hon. members have never been restricted in their attempts to deal with the implications of government legislation, or in their efforts to place these measures in proper perspective. If we are to be confined to very narrow limits of debate at this stage, this will amount to a further infringement of the rights of private members. It is my understanding that at the second reading stage our discussions can range—

[Mr. Deputy Speaker.]

Mr. Deputy Speaker: Order, please. The Chair was in no way attempting to restrict the hon. member. His rights are the same as those enjoyed by all other members of the House. During the second reading consideration of a measure, the Chair suggests that hon. members must relate their remarks to the subject matter of the bill before the House. I have listened carefully to the hon. member's remarks and it seemed to me the hon. member was beginning to deal with other aspects of government policy, specifically government's policy in attempting to reduce the price of drugs. That seems to me to be irrelevant to the bill under consideration.

An hon. Member: Let's call it one o'clock.

Mr. Dinsdale: Mr. Speaker, my time has almost expired. I was referring to the fact that the Canada Development Corporation—

Mr. Mahoney: Tell us about Red River Valley.

Mr. Dinsdale: Mr. Speaker, the hon. member for Calgary, whatever he is, ought to be a spokesman for western Canada.

An hon. Member: He is.

Mr. Dinsdale: He carries on like a trained seal, going along with everything this government does.

Mr. Deachman: You don't see any trained seals on the Prairies.

Some hon. Members: Oh, oh.

Mr. Dinsdale: He will not give the slightest—

Mr. Deputy Speaker: Order, please. It being one o'clock I do now leave the Chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Dinsdale: Mr. Speaker, when the House rose at one o'clock, I was just concluding my remarks. I was interrupted quite often, so I trust the Chair will be lenient and allow me to bring my observations to a conclusion. As a matter of fact, I was in full flight when the recess was called by the Chair.

• (2:10 p.m.)

The main point I wish to bring out, as we pursue this important subject of ways and means to stimulate the Canadian economy, to get it out of the doldrums into which it has descended because of the maladministration of this government is that we should not dabble in window dressing tactics such as those employed in the bill which is before us but rather should get to the root of our economic problems. The time has long past for the government to abandon its ad hoc approach to our economic problems. Now, when an issue comes up it is

widely discussed because of the impact of the media. It is possible to get public involvement in an issue within a relatively short space of time because of the instantaneous impact of the electronic means of communication. The government, as a result, instead of pursuing the even tenor of its way, mapping out its economic development program on a long-term, rational basis, is lured off the track in pursuit of will-o'-the wisps. I feel that is the best description that can be appied to the present proposals of the government to establish the Canada Development Corporation.

It is an old idea. It is an idea that has broad support from the Canadian financial community, and from many members of the House of Commons. It appeals to Canadians because it is anticipated that through government initiative of this kind the ordinary man in the street can become directly involved, even if only on a limited financial scale, in the development of his country's rich resources. But this measure does nothing to make that possible. Instead, it runs at cross purposes to some programs already initiated by the government. This is characteristic of the government's approach to economic matters.

This bill is a political sham. It is window dressing, designed to remove the pressure caused by the concern widely felt in favour of Canadian economic nationalism. It is a diversionary tactic which the government hopes will conceal its responsibility for our critical unemployment situation, and for the declining economy in the underdeveloped areas of the country. The reaction of some government backbenchers to the remarks I was making before one o'clock would indicate that they are sensitive in this regard. I strongly suggest that they quit playing politics at this time and deal with the real problems of Canada.

Mr. John Burton (Regina East): Mr. Speaker, having examined the inadequacies of this bill respecting the establishment of the Canada Development Corporation, it was ironic to read a report in this morning's press, referred to earlier today, telling of the Prime Minister's (Mr. Trudeau) criticisms of the operations of the House of Commons. He was very critical of the work done by the opposition, and in one of his statements said that nine times out of ten during the daily question period the opposition missed their mark. I think the Prime Minister would perform a much better service for the people of Canada if he ensured that more of the legislation presented by the government was on the mark and dealt with the problems of the people. Certainly, the government has fanned badly, and indeed fanned totally by attempting to deal with some of our economic problems through the provisions of this bill.

When we are discussing this proposal to establish a Canada Development Corporation we are, in effect, considering Canada's future. At present we have a combination of social, cultural, political and economic problems, the resolution of which will have an impact on Canada's future. The fact is that many of us want to see a national identity established in Canada based on moral and ethical standards that take account of social concerns and sensitivities, as well as national aspirations and international considerations. In establishing such a national identity, it is necessary that we instal a sense of the principle of equity in our affairs and that we reject the manner in which the economic system has operated, as evidenced by present disparities and inequities. It seems to me that the Liberal party has a record in this connection of which it should not be proud.

For a long time the Liberal party has been committed to the principle of continentalism, of tying Canada closer to the United States, and of merging our economies together. We have no objection to normal economic relations with the United States. We want to have friendly relations with the United States. Very often the economic relations we have make good sense for the people of both nations, and when that is the case we want to promote the activities in question. But we must consider the direction in which our economy is moving now.

While the immediate implications of this bill will be primarily economic, it has wider implications in the national sense. Canada was established as a nation through the hard work of its people, despite formidable obstacles, but in recent years there has been abdication of responsibility by the government to maintain our Canadian nationhood or identity in such a way that we can develop our resources in the best interests of all Canadians.

• (2:20 p.m.)

It has also to be said that Canadian business has failed. For a long time it had operated under an umbrella of protection, behind various trade and tariff barriers. A rational case could be made for that type of development during the infancy stages of our nation, but we have left those stages behind us. Some time during the past 20 or 30 years Canadian businessmen made a basic decision which has had profound implications for all of us. Many of them, not all, decided to cast their lot in with larger American business concerns. They no longer considered the national interest. They did not think that their prosperity and power derived from political decisions taken by Canadian leaders and by the Canadian people in earlier times. They were no longer willing to pay their debt to Canadian society. They were only interested in the almighty buck, and they sold out the interests of the Canadian people and of the Canadian nation. What we have before us in the Canada Development Corporation will be another mark of failure. I suggest that there are inconsistencies and conflicts in the manner in which it has been set up which will make it impossible for the corporation to further the interests of the Canadian people.

I found the remarks of the Minister of Finance (Mr. Benson) of particular interest when he introduced this bill at second reading. First, he indicated his own confusion and then said that all of the opposition parties seemed to be in favour of the Canada Development Corporation yet against it at the same time. He completely missed the point, Mr. Speaker. Some of us are talking about a Canada Development Corporation different from that presented to us at this session, namely the one which

was first proposed by Walter Gordon when he was a member of this House.

The minister also stated that the government believes there is a role for the new institution. He suggested that one of its purposes is to help make possible fuller participation in the growth and development of Canada. This is typical of the wishy-washy statements made by Liberal spokesmen from time to time. The minister then took note of some of the new developments on the international economic scene by stating:

> Business and industry have entered a new period of internationalism which makes it desirable that there be a number of Canadian controlled corporations with headquarters in Canada and with the kind of institutional strength and management capabilities to compete successfully in Canadian and international markets.

I think we need to examine the implications of this statement, Mr. Speaker. The minister has correctly noted the growth of a new phenomenon, the multinational corporation. We know that this type of institution is playing an ever-increasing role on the economic scene but the minister seems to suggest that Canada should get into the action by doing the same type of thing. I am not at all sure that this would serve our own best interests in the long run, as I doubt whether we could compete in that sort of elite market given our comparative geographic and economic conditions.

Mr. Pepin: That remains to be demonstrated.

Mr. Burton: The minister acknowledged that Canadians are asking why they cannot participate more fully in their own resource and industrial development and in the growth of strong Canadian based corporations with extensive international operations. He correctly pointed to the concern of the Canadian people on this score, but I feel he has totally missed the mark in the bill that he is now asking us to pass.

An hon. Member: What is the mark?

Mr. Burton: Be patient and you will find out.

Mr. Orlikow: It is not obscene language, that is for sure.

An hon. Member: You don't want multinational corporations and you don't want—

Mr. Burton: All we hear are loud noises from people who are not prepared to listen, who are not prepared to learn, but simply—

The Acting Speaker (Mr. Richard): Order, please. The hon. member for Regina East has the floor. Although we are not very numerous hon. members are making much more noise than a full House. The Chair suggests that hon. members should listen attentively unless they have sufficient cause to interrupt the hon. member for Regina East.

Mr. Burton: Thank you, Mr. Speaker—

Mr. Osler: On a point of privilege, Mr. Speaker. The problem is that we have been listening attentively and we cannot understand what the hon. member says. All we are asking—

Mr. Crouse: That is not a point of order.

The Acting Speaker (Mr. Richard): Order, please. I will deal with one point of order at a time. I think this is a continuation of the same kind of argument we have had sotto voce but louder this time.

Mr. Burton: Mr. Speaker, I am not sure there is any hope that some hon. members opposite will be able to understand, but I am sure that the Canadian people will understand.

Mr. Dinsdale: Trained seals!

Mr. Burton: The Minister of Finance outlined what he considered to be some of the purposes of the Canada Development Corporation. The first was to help develop and maintain strong Canadian controlled and Canadian managed corporations in the private sector of the economy and, second, to give Canadians greater opportunity to invest and participate in the economic development of Canada. It is quite clear that the Canada Development Corporation is going to assist the private sector of the economy. I have always acknowledged that there is a role to be played by the private sector in economic development and activity, but what we have here is a public agency apparently designed to serve the interests of the people of Canada but which instead will encourage and help the private sector. These conflicts may be beyond the understanding of some Liberal members, but I suggest that the Canadian people will see them very clearly.

It seems to me, Mr. Speaker—

Mr. Anderson: Waffle on.

Mr. Burton: —that there are other problems in connection with the Canada Development Corporation which should be examined. The minister stated that the first objective would be to make investment in the equity of existing enterprises and also assistance in the expansion of existing ones. It remains to be seen how this can be done; much of it will be dependent upon policy to be developed after the corporation is formed. The minister stated it is expected that CDC investment in a corporation would normally be large enough, either alone or in combination with other Canadian investors, to ensure Canadian control. I would like to see more evidence of this than has been forthcoming. The minister indicated something of the approach to be used by the Canada Development Corporation when he said:

> Ideally, many of its actions and investments will be in response to proposals made to it by others.

What that sentence really means, Mr. Speaker, is that the CDC is simply to react to plans and proposals placed before it, presumably by the private sector or by others. On the basis of the minister's statement, the CDC is not going to take the initiative in terms of influencing the course of economic development in this country. It seems

to me this sentence indicates quite clearly that the corporation is simply going to react to proposals and plans presented by others, to say "This is a good idea and that is not such a good idea." This leaves a great deal to be desired and I shall elaborate on it in a few moments if some hon. members opposite will just have patience.

We have to take account of the fact that the Canada Development Corporation will only have a very small percentage of public equity. The figure of 10 per cent has been mentioned. I see this as one of the problems for this corporation, Mr. Speaker, the small percentage of public participation. By "public" I mean through the hands of the government which, after all, has final responsibility for the over-all direction and development of the economy.

The minister stated that the management of the corporation will at all times be fully aware of the need to earn a competitive rate of return on invested capital fully commensurate with the risks involved. He also stated:

> The CDC cannot and must not be expected to make investments which do not meet its criteria for profitability. The national interest and the profit motive are not always compatible, but there is a broad area over which they are or can be in harmony.

• (2:30 p.m.)

With the latter statement I have no quarrel. There can be times, and there will be times, when those two objectives and those two interests can be harmonized. It seems to me, however, that at other times there will be some very difficult and serious conflicts of interest. Mr. Speaker, what is the situation with respect to one of the corporations which it is proposed to have taken over by Canada Development Corporation, namely, Panarctic Oils. A considerable amount of federal money has been placed into the Panarctic Oils operation, and for good reason. I think it is a wise, public investment. However, for the present and for some considerable time in the future, I suggest that it will not be a profitable venture. Actually, in terms of the profit considerations which will apply to this corporation, it would be impossible to establish a Canada Development Corporation which had a major interest in Panarctic Oils and, thereby, give to the latter the type of protection that is needed in the best long run interests of Canada.

It seems to me we must recognize that there is a very real problem when we look at Canada Development Corporation from the viewpoint of profit on the one hand, while, on the other hand, we are concerned about the public interest. At times these interests are compatible. But I am sure it will be recognized by all concerned that there may be times when a Canada Development Corporation, properly structured in the form of a Crown corporation as is proposed in the amendment moved by my colleague the hon. member for Waterloo (Mr. Saltsman), would consider working either by itself or in conjunction with other agencies, which might be provincial governments, local community organizations, local governments or, in some cases, even private interests, on projects which might be in the best interest of the corporation or in the best interests of Canada, to develop an enterprise which would not produce a return in the form of dividends to shareholders but which, from the viewpoint of the benefits to the Canadian people, would certainly be a worthwhile venture. It seems to me it is recognized in many quarters that we must go beyond the old profit and loss approach, which is really what is involved when one looks at the balance sheet of any corporation. One must look at it from the wider standpoint of the total costs involved and of the total benefits involved, if we are to see wise decision making in future. As well, it seems to me, Mr. Speaker, that we must keep in mind the very great difficulties which are involved in terms of the constitutional structure that we have in Canada. We, after all, are a federal state and there are difficulties in carrying on any type of central, co-ordinating planning of the economy at the federal level, because of the divided jurisdiction which exists in Canada.

After all, Mr. Speaker, the provinces, and very rightly so, have their own interests to consider. They have their own responsibilities. This is the structure which has been laid down for us in the constitution, a great portion of which will remain, despite any amendments which may eventually be made to the constitution. It seems to me that a properly constructed Canada Development Corporation could play a very important role in terms of giving the federal government the type of tool that it needs to direct the course of the development of the economy, and to ensure that this will be of benefit to the Canadian people.

It seems to me that other problems must be taken into account as well. I have already noted that the Canada Development Corporation, as it is proposed, is based on the profit motive; that is a prime goal, as admitted and stated by the Minister of Finance. It seems to me that it is structured on this basis and, certainly, that will be a very great impediment from the start. Second, the Corporation will not be responsible to the government or to Parliament. Third, we shall have a sell-out of certain corporations to private investors. That, really, is what will be involved. This will create some very real problems. Some of these Crown corporations, such as Polymer, Eldorado, and the Northern Transportation Company, have been very profitable. Actually, they have produced a good rate of return on the original investment, and I am very happy that they have done so. Possibly, they will continue to do so in future, but that may not necessarily be the case. It may be that at some time in the future one or other of these corporations will need, for the sake of the public interest to carry on their operations in a way which may be designed to meet their costs, but no more than that. Such a corporation may even have to be subsidized because of certain considerations affecting the public interest. The fact that Canada Development Corporation is to be controlled as a private corporation, with the government retaining only about a 10 per cent interest, will pose a very great problem, especially if the corporation is to do the job conceived for it.

It seems to me that there is one other aspect of the considerations involving Canada Development Corporation that hon. members ought to consider today. For

some time now we have had a regional development program in Canada which the government has been touting as its great weapon in the attempt to promote some greater degree of equity in terms of economic wealth and power as between one region and another in Canada. The federal government has been spending a great deal of money on this program. It was revealed last fall in the House that some three quarters of a billion dollars, I believe, had been spent by the federal government over a period of years through a number of programs involving incentive grants and assistance to private industry, in an attempt to bolster the economy of the various regions of Canada. Of course, there have been numerous problems in administering these programs effectively and in ensuring that they would reach the objectives set out for them.

The federal government has, over the last couple of years, introduced its latest regional development program. The government claimed, actually, that they had looked at some of the mistakes made in some of the earlier programs that had been introduced. A great deal of money is being spent on the program now. I notice, for example, that the program of the Department of Regional Economic Expansion for the year 1971-72 will involve something over $400 million. Another $37 million, or $40 million, is to be voted to the Cape Breton Development Corporation. Some of these expenditures are very worthwhile and I think that they can be justified, Mr. Speaker. Nevertheless, this is a very large program. I think it might also be noted that a large amount of this program consists of incentive grants to private industry and to private entrepreneurs.

I am interested to note that even some of the Liberal backbenchers are becoming concerned about this matter. It was with a great deal of interest that I noted a report in the Edmonton *Journal* of February 19, concerning the hon. member for Edmonton-Strathcona (Mr. Harries). The report reads in part:

> The federal government should stop immediately its industrial incentive grant program except in very special areas, says Liberal MP Hu Harries.

Mr. Orlikow: The hon. member for Edmonton-Strathcona is not in the chamber.

Mr. Burton: The report went on to state that the grants should be available only to areas where there is "clearly a technological opportunity accompanied by a high and continuing rate of unemployment." As well, the hon. member is reported to have said that the current incentive program is turning out to be the same as the last federal incentive program which, when completed, was "roundly criticized". Then, the hon. member went on to say this:

> The incentive grant represented 'a windfall profit to the shareholders' of Imperial Oil, which is more than 70 per cent owned by Standard Oil of New Jersey,—

That is what a Liberal member is reported to have said. I commend the hon. member for his frankness and honesty in expressing his doubts about this program, the manner in which it is being operated and its effectiveness. We need to examine the inadequacies of the program of the Department of Regional Economic Expansion.

• (2:40 p.m.)

On another occasion, I outlined what I considered to be some of the weaknesses of the government's program; that is the give-away nature of the grants and the subsidization, of industry. As the hon. member for Edmonton-Strathcona stated, in many cases the decision to give an incentive grant did not change the basic decision about whether to set up an industry. In fact, in many cases the decision had already been made. It is difficult to define in any precise way, but I think many people suspect that many of the grants were given to firms which, in fact, intended to go ahead with the project in any case and the provision of an incentive grant did not affect that basic decision. I am not suggesting that there is not a need for a great deal of expenditure on a regional development program to remove the regional disparities in Canada. I think it is recognized in all parts of the House that there is a very great need.

We need a recasting and redirection of the regional development program in order to ensure that the public interest is met. Here again, we run into conflict with the manner in which the government regards the profit motive. They consider that the profit motive is still the prime thing to take into account. However, there are many cases today where investments are justified in terms of the services provided, facilities established, products provided at a reasonable cost and where the profit consideration should not be the prime consideration.

The relevance of what I have been saying concerning the need for a recasting of the regional development program is that we have a golden opportunity through the Canada Development Corporation to provide the necessary redirection for the program. In fact, if the Canada Development Corporation were constituted as a Crown or public corporation, it could be made the instrument through which a large part of economic development program in various regions could be carried out.

There are other programs that still need to be carried on in terms of developing the infrastructure of many communities and areas of Canada which are not directly related to the establishment of new facilities for the production of goods or services. Nevertheless, I think the Canada Development Corporation, if properly constituted as a Crown corporation, could in fact do the job that all would like to see done, namely ensuring that we have a sound regional development program which will remove regional disparities in Canada, result in a greater degree of equity of wealth and economic power in the various regions of Canada and provide a better balance for the Canadian nation. I suggest that this could be much more adequately accomplished through a Crown or public corporation whose primary concern would be the public interest rather than the profit motive.

As the hon. member for Waterloo (Mr. Saltsman) and others in this party have pointed out, there will be occasions when it will be desirable for the Canada Development Corporation, as a Crown corporation, to work in concert with private or public concerns. They would establish an undertaking, concern or operation which

would produce a profit, and it should be designed on that basis. That should certainly be one of the approaches used whenever it is considered to be the best one for a particular problem. However, it seems that the government is locking itself in the present structure which it is proposing for the Canada Development Corporation. As the corporation is to be constituted, the first, second and last objective will be to produce a profit.

One of the concerns that has resulted in this legislation being placed before the House is that we have a very real problem in Canada today in terms of the high degree of foreign ownership that exists in the Canadian economy. I do not need to quote figures this afternoon indicating the percentages of various sectors of the Canadian economy which are controlled by foreign interests, whether American or others. This process has gone so far down the road that we now have United States economists and other officials admitting that Canada is now being bought out with its own money. This is demonstrated in a recent study published by the United States department of commerce. It shows that 94 per cent of the capital generated by United States corporations in Canada in 1968 was generated through profits, retained earnings, depreciation or the raising of loan capital within Canada. It is quite likely that today the figure is closer to 100 per cent. This indicates how far we have gone.

This situation has developed because of the absence of a government policy on this question. We have been promised such a policy for weeks and months. There is increasing concern about this matter. The rate of takeover of Canadian concerns by foreign controlled companies is increasing. On a number of occasions in this House I, and other members, have asked whether we would have an interim policy until the government decides on a final policy. The Prime Minister (Mr. Trudeau) shrugs it off. I see no reason why we cannot have a moratorium on any further takeovers until such time as the government is able to decide on a policy which it can present to this House and the people of Canada. Instead, we find the Prime Minister engaged in some rather devious attempts to lead the Canadian people off the trail of the power issue.

When speaking in Regina recently the Prime Minister attempted to suggest it was just those fellows from Toronto, Watkins, Gordon and others, who are concerned about this matter. He stated there is a problem in some of the lesser developed regions in Canada, such as the Atlantic provinces, Quebec and parts of western Canada, but we would not have as high a rate of development if we were to place restrictions on foreign ownership. Perhaps that would happen; I acknowledge there is a problem. This could possibly happen with a Liberal government and its typical lack of policies for dealing with some of these problems.

Mr. Osler: What would your answer be?

Mr. Burton: I have been attempting to suggest it. The Canada Development Corporation, as a Crown corporation, would be one of the major instruments to be used in a sound regional developmental policy in Canada. It would safeguard the public interest in developing the lesser developed regions of Canada.

• (2:50 p.m.)

I find that even a few Liberals are becoming concerned about what is happening. I note an article which appeared in the Ottawa *Citizen* of February 17. In substance, it is a report of an interview with Mr. Walter Gordon, a former minister of finance. Since parts of it are relevant to the debate today, I should like to quote from it. The article is by Duart Farquharson, and reads:

> Former Liberal finance minister Walter Gordon is having second thoughts about the Trudeau government's evolving position on economic nationalism following an attack on him by the Prime Minister in Regina.
>
> "I think I know where he stands," Mr. Gordon told Southam News Services in an interview Tuesday. "Either he has changed his mind, or I'm a very surprised person."

An hon. Member: I hope he changed his mind.

Mr. Burton: Mr. Gordon then goes on to refer to some of the remarks made by the Prime Minister when he spoke in Regina. According to the writer of this article, a tape of Mr. Trudeau's remarks in Regina has him saying this about economic nationalism, in part:

> There is this constant tradeoff between those parts of Canada which are already fairly developed like the central provinces, and particularly Ontario.
>
> And that's where you find the Melville Watkins and the Walter Gordons who think that enough is enough and they don't want any more foreign capital to develop their province, but they don't always realize that other parts of Canada have not developed that far and therefore they would not mind a little bit of foreign capital if it means there is more technological progress and higher standards of living and so on.

Mr. Pepin: And what's wrong with that?

Mr. Burton: The fact is the Prime Minister (Mr. Trudeau) is attempting to play one part of the country off against the others.

Some hon. Members: Oh.

Mr. Burton: The first question which should be asked of the Prime Minister, this man who has made such a pitch concerning Canadian unity, is: what has been the result to date of the faith he places in private enterprise to do a job which has led to the type of inequity which exists in the Canadian economy today? If the Prime Minister were to rely on the absence of policy we have known in the past, there would be problems. He has totally failed to recognize the basic point that the Canada Development Corporation could be used as a major instrument for ensuring an adequate degree of development in all regions of Canada.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on an important issue such as this, it is a tragedy that the sole representative of the financial side of the government present today should be the Minister of Industry, Trade and Commerce (Mr. Pepin).

An hon. Member: What's wrong with him?

Mr. Thompson: There is nothing wrong with him at all.

Some hon. Members: Hear, hear!

Mr. Thompson: Except that he is supporting a piece of legislation which I do not think is characteristic of him at all. I recall back in the early days, before he or I were members of this House, we did on occasion discuss some of the things this country needs. I wish we could go back to the old days because I think we might have better legislation than we have now.

Mr. Pepin: But you have changed so much since then.

Mr. Thompson: If you listen carefully to what I have to say, you will find I have not changed at all.

The Acting Speaker (Mr. Richard): Order. Will the hon. member please address the Chair.

Mr. Thompson: Yes, Mr. Speaker. I was merely reminiscing over days in the past, and on a beautiful Friday afternoon when spring seems to be heavy in the air, there is a great temptation to get into a personal digression.

This proposal to establish a Canada Development Corporation has appeared in practically every Speech from the Throne I have heard. It has been the subject of debate in every session during which I have been a member of this House. It now appears to me it would have been far better had the government resorted to one of the contraceptive devices well known to governments and forgotten about the idea altogether. I say this because I do not believe the CDC as proposed here will meet the needs of Canada. I recognize there probably is a legitimate place in the economy for a Canadian development corporation, provided it is geared to sound principles, provided it could do for the private sector of the economy some of the things which the private sector finds difficult, and provided it would really assist in the expansion of our industrial development while at the same time helping retain a larger percentage of ownership in Canadian hands.

I go back to 1965. The Hon. Walter Gordon was at that time minister of finance and he was the one who first enunciated the basic concept of a Canadian Development Corporation in any detail. In a speech on June 3 to the Canadian Textile Institute in St. Adele, he had this to say:

> The purpose of the Canada Development Corporation will be:
>
> 1) To initiate the development or expansion of large-scale new enterprises in Canada. If the Canada Development Corporation had been in existence some years ago, it might have participated in such things as the Trans-Canada Pipe Lines, the development of the Canadian oil and gas industry, the tar sands of Alberta, Saskatchewan potash. Labrador iron, the integration of certain sections of our forest industries, and so on.
>
> 2) To acquire a controlling or a substantial minority interest in existing Canadian enterprises which otherwise might have to be sold to outsiders.
>
> 3) Where suitable opportunities occur, to purchase Canadian businesses or resources now held by non-residents and to provide an additional source of funds where non-resident owners want to bring in substantial Canadian partnership in their enterprises here.

I wish the piece of legislation before us would bring about these objectives which were enunciated six years ago by the former minister of finance. If this bill were doing these very things, I would support it because I believe all three of the issues which Mr. Gordon defined are critical issues as far as the development of our industry is concerned. But I do not see this legislation having such an effect. It is a much paler, watered down version of Mr. Gordon's vision at that time and as far as I can see it will not attain the objectives he had in mind. This is not only my belief. As far as I can see, those who are experts in this field share this view.

During its entire economic history, Canada has not been able to provide sufficient capital to meet all its demands for growth capital. Canada has therefore relied, and continues to rely, heavily upon the financial resources of other countries, chiefly the United States. Yet it is not the lack of capital alone which has brought about this situation; it has been the investment climate in Canada, or the lack of a climate which has not been attractive to Canadian capital. As a result, capital has been attracted from the countries where the laws governing the investment of that capital offer more encouragement to investment and incentive than we have been able to provide for our own investors in Canada.

• (3:00 p.m.)

The idea of such a government-sponsored catalyst to sustain Canadian-owned enterprise and to encourage Canadian investment in Canadian enterprise is certainly not new, but the terms of reference and the basis on which the government is proposing to do this are, I think, completely inadequate on the one hand and wrong on the other.

If a Canada Development Corporation is to accomplish a worth-while purpose, it would not just have the objective of buying back Canada; it would also encourage the investment of Canadian capital in Canadian enterprise. Apart from the money being held today in funds belonging to insurance companies, mutual funds and other types of corporate financial institutions, there is more than $12 billion in the savings accounts of Canadians. In addition to that, an increasing amount of Canadian savings is being invested in the United States, very often in the type of speculative stock that does not, in the long run, bring about the return that people expect. The tragedy of the situation is that we are not using this source of capital which we have at our disposal: this is where the problem lies.

Look at the situation in Japan. Japan has not only developed a viable economy where the growth of the gross national product has been nearly double ours during the last 20 years; it has also put vast amounts of money into development in Canada and elsewhere. Where has this money come from? It has not come from the United States, from Switzerland or from France. This money has been generated inside Japan. The Japanese have effectively used their own capital, the banking system and the Bank of Japan to generate this capital.

I should like to know why we cannot do something like this. Why does not the government bring in legislation to

encourage the generation of capital from Canadian sources both from the point of view of national pride and sound investment? I suggest that as presently constituted, the CDC could lead to disaster. Certainly I do not see it reaching any of the objectives that are so important. In fact, the whole concept as presented is just a shadow of what was once talked about five, six, seven or eight years ago by the government. Tragically, this version of the CDC will practise economic nationalism only when it is profitable to do so. Tragically, also, it will not increase in any appreciable way the amount of capital that Canada's development needs. It is said that initially the government will be the sole shareholder of the Canada Development Corporation. If the CDC is to be the kind of organization in which the Canadian people have confidence, why does it not encourage investment by individual Canadians right from the beginning? Why is it necessary that all the directors of the CDC be, initially, government appointees even though the bill stipulates that the government will eventually appoint only four of the 18 to 21 directors? If that proposition is sound later, why is it not sound at the beginning?

I note that the legislation provides that until the government's share in the CDC drops below 50 per cent—which is not going to happen in a hurry—the Deputy Minister of Finance, and Industry, Trade and Commerce will sit in on the deliberations of the board as ex-offico members. The government is continually complaining that the opposition does nothing but criticize.

Mr. Whicher: That is right.

Mr. Thompson: Well, my hon. friend, listen for a little while and I will give you some humble suggestions about how the Canada Development Corporation might have been brought into being on a more satisfactory basis.

If the government believes that such a corporation is necessary—and six years ago Mr. Gordon defined its objectives—I contend that right from the beginning it should have made the corporation one in which individual Canadians could share. Let it be a corporation in which not only those who have amassed wealth can invest; let the Canadian people at large buy a $10 share, 10 $10 shares, or 100 $10 shares, and buy them for their own good. While immediate returns might not be as profitable as investing their money in a dead type of investment such as Canada bonds, nevertheless within a short time the investment could produce returns directly to the investors as well as to the benefit of the nation.

If the government is convinced that this is a sound proposition, why does it not hold a competition and recruit 20 of the best men in industry who know and are experienced in development investment and finance? There are tremendous talents available. Men from private industry should head this organization, since it is supposed to be a private corporation. Why does the government not get out of its way and let it function as a private corporation, if it is meant to be such? Instead of that, even before the bill has passed the House a civil servant is mooted as the one who will head the corporation. I am not in any way criticizing the individual concerned, but the civil service is the wrong place to recruit the head of this corporation. He should be taken straight out of the industry.

Mr. Pepin: That is where he came from.

Mr. Thompson: If that is so, he should be supported by men who are not in the government service at the present time.

Mr. Pepin: What is wrong with having both?

Mr. Thompson: Somehow or another I cannot trust government appointments made in this way. Either government pork-barrelling or Liberal party patronizing will be the criterion behind such appointments. I think we should try to convince the Canadian people that this is a genuine private organization; that the government does not exercise patronage by appointing the directors of the board. If one thing is certain, it is that the holders of perpetual bonds who invested their money in good faith, with government encouragement, will not be investing in the CDC. These people have been denied the right to redeem those bonds at par and have lost not only their capital investment but the benefits accruing therefrom, benefits that have gone to someone else down through the years since these perpetual bonds were put on the market just prior to the beginning of the last war.

I also think that this corporation should move its base of operations as far away from Ottawa as possible. I would not mind if the government established it in Calgary South. The hon. member for Calgary South (Mr. Mahoney) has had a lot to say about tax reform. He needs a little support in the next election if he is going to be here to assist in developing the tax reform policies that the government is talking about. I would be even happier if the CDC were based in Vancouver—but at least get it away from Ottawa. Let private investment, initiative and enterprise get behind it, if it is to be what the government says it will be. But I submit the government has no intention of letting this come about.

Mr. Deachman: Mr. Speaker, would the hon. member permit a question? I wonder whether I hear him aright. Did he say the headquarters should be in Vancouver? I just want him to confirm that that is what is in his mind.

Mr. Thompson: I think that would be a very good idea, Mr. Speaker. I should like better to see it based in Alberta, but you could put another 500 or 600 miles between it and Ottawa by basing it in Vancouver, and that would be good.

• (3:10 p.m.)

I believe the hon. member for Esquimalt-Saanich (Mr. Anderson), that great ecologist and gentleman who is the authority on how to transport oil from the northland, is suggesting that we should establish the headquarters in Esquimalt or Victoria.

Mr. Anderson: Mr. Speaker, I should like to say, for the record, that this was not my proposal. I did not suggest that the headquarters should be situated in Esquimalt. I suggested that if the Canada Development

Corporation is to be effective, it should be located closer to some of the larger financial centres of this country.

Mr. Thompson: Mr. Speaker, that remark shows the illiteracy of the hon. gentleman so far as the financial situation in Canada is concerned. My province and your province would get along a great deal better if they did not have to depend on the sort of financial backing given the west by Bay Street—

An hon. Member: Oh, sit down!

Mr. Deputy Speaker: Order, please. It is obvious that the hon. member for Red Deer (Mr. Thompson) does not want to accept a question.

Mr. Anderson: Mr. Speaker, I am not rising to ask a question but to raise a point of order. I should like it clarified whether Vancouver is primarily an acceptable financial centre and Esquimalt is not. If the hon. member has reason to suggest that the headquarters of the CDC should be located in Esquimalt, I would be happy to go along with it because, after all, that is my home area.

Mr. Deputy Speaker: Order, please.

Mr. Thompson: Mr. Speaker, I suggest that the hon. member's point of order is not legitimate. If he wants to know the reason for my suggestion, let me say that it is not really because Esquimalt might be the most appropriate area for locating these headquarters but I had in mind that we should move the headquarters as far away from Ottawa and the central government as possible. Vancouver would be a very good location. The further away from Ottawa we can establish the headquarters, the better off it will be.

These points involve some of the proposals which have been made in respect of the establishment of the Canada Development Corporation, many of which have received the complete support of members in this part of the House. We do not have this kind of policy. In fact, the whole concept of the government in respect of this measure is abortive. I think the measure has value in that it would bring about a denationalization of some corporations. Some of these corporations have operated reasonably well during the years, but others are in difficulty, particularly those concerned with development of the north. I have in mind the development of northern power and transportation. Perhaps in this respect the government does have a role to play in making sure that funds are available for the development of industries and resources in the north. If we do not make these funds available, perhaps we should not be entitled to the potential of the north.

I am convinced, from the pattern indicated in legislation and speeches, that the government will try to convince Canadians that they control the CDC. It has been suggested that the government will encourage insurance companies and the holders of large sources of capital to invest in this corporation. I think it would be far better to let individual Canadians participate.

If there is a surplus in the Canada Pension Plan, such funds could be used for the development and expansion of our economy. In this way we could create many more jobs and provide Canadians with a greater share in the development of Canada. More and more we must understand that the right to a living through one's work is a diminishing thing. We must recognize that the right of involvement or ownership on the part of individuals is diminishing. Yet man can only earn his living as a result of the fruits of his labour, the fruits of his capital or through a combination of both. I think a combination of these two principles could very well be the key to private investment as far as the individual Canadian is concerned. We should encourage the widest possible investment and ownership and participation, particularly in common or equity shares, on the part of Canadians in Canadian companies. This can be done not only through a viable form of the Canada Development Corporation but in many other ways.

Throughout the world Canada is noted for its great natural resource potential, only partially developed at the present time. Little is made of the fact that Canadians own very little of this great potential. If a country which claims to be maintaining the second highest standard of living in the world drifts into a situation such as we have in Canada, this is difficult to explain. There are causes for this national problem, and these causes are basically of our own making; we cannot blame somebody else for them. Canadian tax laws are contrary to the development by Canadians of these resources. These tax laws could be remedied very quickly, yet we have gone on for years ignoring this vital problem. When we do discuss it, the outcome is the type of recommendation that will further discourage Canadians from investing in their own resource development.

The advantage of United States companies often makes it impossible for a Canadian company to exist or to take over another Canadian company. This is a result of the difference between our tax laws and those of the United States. If a United States company borrows $10 million from a United States bank to purchase a company in Canada, the interest on the loan is not taxable. This tax concession alone is such a deterrent to a Canadian company that often it will not entertain a project which the United States company considers to be a good investment.

In many areas of our resource industries there would be very little difference in the amount of tax collected if the advantage were given to companies to operate in these remote places. Therefore, tax concessions should be given to this type of development in order to encourage Canadian investors.

Another tragic development which has taken place in Canada during the past 20 years has been the changing structure of our financial machinery. Our decentralized financial organizations have now assembled in the central parts of Canada and are under the kind of control which is not really interested in the investment of money for the development of our natural resources. This has made it impossible for the private Canadian entrepreneur to carry on exploration and development. This leaves them open to only one recourse—that is, to sell to larger, often foreign—companies, or give up the project altogether.

If the history of Canadian development could be recorded from the aspect of what the private entrepreneur has done in finding resources and the ingenuity used in developing various types of industries, it would be most impressive. However, not having the capital available for completion, the private entrepreneur has had to sell out. This is indeed a very sad chapter in Canadian history.

This is why most of our industrial development is controlled by people outside of Canada. Far better than developing a Canada Development Corporation, the government should amend its tax restrictions and inhibitions. In this way there would be a far more desirable climate for development. Canada's economy does not need just a little alleviation, $1 billion or $2 billion—it needs a complete change. We should buy up companies now in existence. Canada does not need silk gloves or punitive legislation; it needs a tax structure that will create a climate to encourage the investment of our money and savings in our country.

I recall the Prime Minister (Mr. Trudeau), when he first was elected, talking about his objectives. He spoke about creating an economic climate in which Canadian companies could gain strength and vision in respect of new development and competition with multinational companies. Unfortunately, the suggested tax reform measures are still a matter for debate. We were told last night by the parliamentary secretary that these reforms will be brought in by the end of next month.

The policies of the government have accomplished the reverse of what should have been the goal. I do not think we will ever know the extent of the negative reaction the white paper on tax reform has had in the development of this country, or even in respect of the income from taxation which the government received last year. Certainly we have not gone forward with expansion in proportion to our potential. The government talks about the opposition not making suggestions. Rather than creating a Canada Development Corporation, about which I have made several suggestions, the government would have been better advised to reform the tax laws and produce more incentives.

• (3:20 p.m.)

The government would have been better advised had it reformed its tax laws to produce more incentives and eliminated the idea of a capital gains tax. I do not disagree with the principle of a capital gains tax in an industrialized nation. One day it will be necessary in Canada, but all it would do today is take more money out of circulation which should be going back into development investment. We are not yet prepared for such a luxury, we should know that because of the economic situation we face today.

There is another area which should be a very important part of tax reform policy and with which we should be dealing rather than the Canada Development Corporation. I refer to the elimination of the inheritance tax. We do not believe in double taxation. We believe that once a dollar has been taxed, what remains belongs to the individual. Every dollar on which a tax has been paid should be left free for investment. It is said that this money falls to the generations who have not earned it; but a person can only eat and consume so much. The balance should go back to the individual Canadian investor to build up this country. This is what made Canada strong in the first instance. But now we are waffling!

Mr. Deputy Speaker: Order, please. The hon. member for Okanagan Boundary (Mr. Howard) is rising to ask whether the hon. member will permit a question.

Mr. Thompson: I have been very generous about questions and I will be pleased to receive a question from the hon. member for Okanagan Boundary (Mr. Howard).

Mr. Howard (Okanagan Boundary): Mr. Speaker, the hon. member said they are opposed to the inheritance tax. Is he stating the position of the Conservative party—that it is opposed to an inheritance tax in Canada?

Mr. Thompson: I was careful to say that tax should be eliminated in respect of all forms of money on which tax has already been paid. Some forms of earnings have not been taxed in the course of normal taxation. I think that type of money should be taxed. But the inheritance tax, as it is now, in many instances is a form of double taxation because it is a tax on money that has already been taxed. I think that form of inheritance tax should be eliminated.

There is another point on which I should like to make a positive suggestion. Instead of having the Canada Development Corporation, it would be much better if the government would provide the framework for a consortium of finance companies, whether they be insurance companies, investment funds or whatever, to come together in order to make available individual and company loans to Canadians through existing financial institutions, to make it possible for them to buy newly-issued common stocks of publicly-listed Canadian companies. There is a precedent for this: we have insured house mortgages to assist home ownership, and farm improvement loans to help farmers. There is no reason why the government should not provide this type of security for much less money than will be involved in the Canada Development Corporation, leaving the incentive where it should be.

Another sound policy in respect of correcting the problem the Minister of Finance (Mr. Benson) said the Canada Development Corporation is supposed to correct would be to amend the Income Tax Act and exempt from corporation income tax the new common stocks that companies issue to finance their corporate expansions, provided that all earnings, less depreciation and other approved allowances—pro rata to the new common stocks—were paid out to the new stockholders. This would enable the new stockholders who have borrowed money to buy stocks to repay their loans and the interest thereon from the earnings of the stocks rather than from their own pockets. This is basically what is done in the United States and it is what makes it possible for the Japanese economy to generate the capital that it has.

Do not let anyone say this is impossible. The Japanese economy—now the most dynamic in the world—has been expanding for the last 20 years or more at an average rate of more than 9 per cent per year and, a year ago, at 13 per cent. Every bit of this has been financed by credit internally and through a government policy which has encouraged incentive and used the banking system in the proper way. This could be done in Canada. The objective of such a policy is that our people, hopefully, would be able to buy back what already has slipped out of our hands. The objective of such a policy is to develop our resources so that Canadians will be the ones involved and so that their money is being used.

The economic situation is not very wholesome at the present time. The unemployment situation is tragic. As one economist said the other day, we probably have lost 200,000 jobs because of the wrong policy to deal with inflation. The policy the government is following will in my opinion continue to make the rich richer and the poor poorer. This will mean that those of us in between will continue to support both segments of the economy. That is the tragedy of the Canadian economic situation at the present time. The concept of a Canada Development Corporation, while it may have some legitimacy, should be very different in pattern and form than it is, for reasons which I have already mentioned. More important than a Canada Development Corporation, even on that basis, is the necessity to correct some of our national inequities and to amend our Income Tax Act in such a way that more incentive is given to Canadians not only as individuals but as Canadian corporations.

If such a policy were being followed, there would be no need for a Canada Development Corporation. I do not think the Canada Development Corporation will be able to "buy back" Canada. The best it will be able to do is denationalize some companies that have been Crown corporations. It will not provide the capital to bring about the expansion and new development that is needed. The Canada Development Corporation might help some companies to find a way to survive, but the basic policy will not be conducive to encouraging companies to take the risk necessary to provide the economy with the type of basic growth that is necessary.

Therefore I believe we now have a situation in which the government, perhaps with good intentions, is missing the boat and is really not providing the legislation we need to meet the objectives which it says the Canada Development Corporation is supposed to meet. That is why I find it very difficult to support this type of legislation. I do not say this happily. I would support any sound proposition that would help our economy go forward and improve the economic situation.

Again, the responsibility must fall on the government, which for some reason has lost its vision, has been confused and has been silent in respect of the daring that is necessary if we are to adopt new and better policies than we have in the past.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are today debating a proposal which the Liberal party first suggested eight years ago. Yet in the eight years in which we have had Liberal governments this concept has never been brought forward until now. It would be interesting for the Canadian people and hon. members to ask themselves why this bill was put in cold storage for eight years. The reasons are obvious. The Liberal party has been, and continues to be, the major exponent of economic continentalism. Then why has it taken this bill out of cold storage? It is because the government realizes that a large number of the Canadian people are concerned about the increasing domination by foreign corporations, mainly American corporations, of the most important sectors of the Canadian economy.

[Mr. Thompson.]

• (3:30 p.m.)

This is not a matter which was brought forward only by members of the New Democratic Party. After all, it was a Liberal government which hired Professor Watkins to make a study and put forward recommendations about what ought to be done.

An hon. Member: But turned them down.

Mr. Orlikow: And, of course, turned them down until now. In fact, the Liberal government has ignored this question until now. The reason it is bringing the bill forward at this time is that the Liberal party recognizes, as I said, that the Canadian people are becoming increasingly concerned about foreign domination and control; about the fact that the oil industry, the natural gas industry, the auto industry and the mining industry are almost wholly dominated by United States corporations.

Why are Liberal members so touchy about this question? Why does the hon. member for Winnipeg South Centre (Mr. Osler), who comes from one of the foremost and most respected families in Winnipeg, heckle the hon. member for Regina East (Mr. Burton) when he is making his speech? Why is he feeling so touchy about this question?

Mr. Osler: On a question of privilege, Mr. Speaker, I would like to impress upon the hon. member that the heckling did not deal with the principle of foreign ownership. It was because in my interpretation the hon. member misquoted the Prime Minister's thrust. The Prime Minister's thrust was for controls on capital, controls that might or might not be necessary, and not whether capital as such was a good or a bad thing.

Mr. Deputy Speaker: Order. This is a point of debate; it is hardly a question of privilege.

Mr. Orlikow: The hon. member for Winnipeg South Centre rises on a spurious question of privilege. But it is good to see him rise to his feet because he did not have the courtesy to rise while the hon. member for Regina East was speaking. He skulked in his seat and interjected.

Mr. Osler: On a further question of privilege, Mr. Speaker, it will probably take until Monday to prove who is right but I think *Hansard* will prove that I did rise on a question of privilege at some stage during the speech by the hon. member's colleague.

Mr. Orlikow: Mr. Speaker, I was here and I saw what happened. The hon. member may have risen on one occasion, but he interjected eight or ten times. While I am on my feet may I say to the hon. member that I was surprised at some of his language. I represent a working class, ethnic constituency. We know something about rough language in my constituency, but I would not, in this House or in public, use the kind of language which the hon. member for Winnipeg South Centre used yesterday—the kind of language which the CBC reported but refused, I suppose for reasons of delicacy, to quote.

Mr. Osler: You will find that CTV quoted it verbatim.

Mr. Anderson: I am sure all the little old ladies will like your speech.

Mr. Orlikow: The hon. member for Esquimalt-Saanich (Mr. Anderson) can rise whenever he wants to speak, instead of interjecting from his seat. What the government is proposing in this bill is nothing more than the establishment of another mutual fund, and Canada already has more than enough mutual funds. We already have Power Corporation, CP Investments, Investors Syndicate and Argus Corporation. People who have money to invest can invest it in those corporations.

The way that the minister proposes to establish the CDC will make it something that we do not really need. It will serve no useful function. But even that is not enough for the minister. I quote from the press release he put out on January 25, which states in part:

—the bill specifically directs CDC to invest for profit in the best interest of the shareholders.—

If its major purpose is to make a profit, the corporation is doomed to failure in fulfilling its most important functions before it comes into existence. It will be a failure because it will serve no useful purpose in meeting the needs of the Canadian people to slow down and prevent further takeovers of Canadian companies by foreign corporations. As proposed by the government, the CDC will be a failure because it completely avoids governmental responsibility in the field of industrial development. This is because the government is committed to a corporation which must make a profit. It is the desire for profit, a legitimate desire on the part of private companies, which has encouraged company after company owned by Canadians to sell out to foreign investors. The need for private profit has not provided an answer to the needs of Canadian national development or to the need of the survival of a Canadian identity.

Since the minister has ruled out the CDC buying back foreign owned corporations, since he has ruled out using the CDC as a method of preventing further takeovers, and since he will not use the corporation as a prime tool to control foreign ownership, what useful purpose will the corporation fulfil? I suggest it will perform no useful purpose except the political purpose of making Canadians believe something is being done which will meet their needs, when in fact nothing of importance will be done.

I have already indicated that what the government is proposing is the establishment of another holding company, another mutual fund like the many which we already have. There is nothing here that will help further Canadian independence. If profit is the primary purpose of the CDC, the corporation will not be prepared to buy a Canadian company which is being taken over by foreign interests. If profit is the sole or major criterion, the CDC cannot take over a company which is not making money. A good example of this is the steel mill at Sydney, formerly owned by Dosco.

Under Dosco the steel mill was losing money. Each year it was becoming more obsolete and less able to compete with Stelco at Hamilton, or with Algoma at the Sault. It was losing so much money that there was no alternative to closing it, with the consequent loss of several thousand jobs, except for the government to take it over. What has happened since then? Lo and behold, under government management—which according to so many hon. members and so many newspapers is inefficient and does not know how to operate business enterprises—suddenly the steel mill at Sydney is doing more business than it ever did before. Suddenly workers are fully employed. Suddenly there is enough money and enough business.

• (3:40 p.m.)

The steel corporation, now publicly owned, can look forward to getting money to modernize so that it can produce steel even cheaper and more efficiently than before. When privately owned, the corporation was in poor shape and had Dosco wanted to dispose of the steel mill the Canada Development Corporation could not have taken it over. But that is the kind of thing that will happen as a result of the blind faith of the Minister of Finance that the major role of CDC is to make a profit. According to the minister, three-quarters of a million dollars will be invested in the Canada Development Corporation in a period of three years. That money will belong to the people of Canada as a whole, but the profits will go to only 7 or 10 per cent of the Canadian people who can afford to invest in it. For the other 90 to 93 per cent of Canadian people who cannot afford to invest except through the $750 million of their tax money which the government will plow into it, there will be no profit.

The minister proposes that existing Crown corporations such as Polymer Corporation Limited, Panarctic Oils Limited, Eldorado Nuclear Limited and Northern Transportation Company Limited be sold to the Canada Development Corporation. This means that these companies, which have been performing an extremely useful social and economic function for all the people of Canada, will be transferred to the few who can afford to invest in the Canada Development Corporation. That corporation will use as its nucleus the tax revenue of $750 million to be given to it over the next three years. This money will come from all Canadians, but only those who have invested in the corporation will benefit.

This situation might be tolerated if the purpose of the corporation were to fulfil social needs and to bring economic benefits to the people of Canada as a whole. If the corporation is being established to help create jobs or

industries for which there is a social need, if it is aimed at helping to provide work in fields where private enterprise has been reluctant to enter because of low profit margins, or if its aim is to prevent the takeover of Canadian industry by foreign companies, then I could see the reason for the Canada Development Corporation. As envisioned by the government and outlined by the Minister of Finance, the Canada Development Corporation will serve none of these purposes.

The government's plan to mix public and private funds means that profit will become the main purpose of the corporation. Indeed, unless it makes a profit private capital will not be interested. Why should a private investor put money in a company which is not going to maximize the return on that money? Why not invest in Canadian Pacific Investments, Argus Corporation, Investors Syndicate or Power Corporation? I am not being critical of these companies, because the aim of free enterprise is to make as much money as possible for its shareholders, but if an investor is faced with a choice, why should he invest in something like the Canada Development Corporation which has the purpose of helping develop a slow-growth region of the Maritimes, eastern Quebec or Manitoba?

There will be constant pressure on those who run the Canada Development Corporation to ensure maximum profit, Mr. Speaker. I suggest that maximum profit is not necessarily the same thing as serving the best interests of the Canadian people. Indeed, these two things are often in conflict. Despite a massive input of public funds, the need to make profit means that the corporation will not be able to invest where companies sell out or close because of losses.

Just a few months ago Dunlop closed a plant in Toronto, with the loss of about 500 jobs. Could the Canada Development Corporation, which must think about profit, have taken over that plant? Of course not. Could it take over some of the textile plants in the province of Quebec which already have abnormally high unemployment? Of course not. They were not making money, so the Canada Development Corporation could not enter into the picture. Because in the view of the government the corporation has to make a profit, and the way to do that is to give it control of successful, publicly-owned companies, the government proposes that it take over some companies which have been successful.

Polymer Corporation Limited has been mentioned. This is one of the most successful public or private corporations in Canada and has consistently made a profit. The government also proposes to sell enough of Panarctic Oils Limited so that the people of Canada will lose control of it. Panarctic Oils is a company with tremendous oil reserves which could be used for the benefit of all the Canadian people.

• (3:50 p.m.)

It is proposed that Eldorado Nuclear Corporation, which has a glowing future, will be sold to the Canada Development Corporation. It is also proposed that Northern Transportation Corporation is to be sold to the Canada Development Corporation. Mr. Speaker, Northern Transportation Corporation plays a tremendously important role for Canadians who live in the north country. The cost of living in the north country is formidable. The difficulties of moving about in the north country are forbidding: they are tremendous.

I suggest that in the interests of the people of the north and of the Canadian people as a whole, at times the Northern Transportation Corporation ought not to show a profit. Indeed, there may well be times when Northern Transportation Corporation ought to be run at a loss, to meet the needs of the people of the north. Yet it is proposed that this corporation, which is so vital to the people of northern Canada and to those of the Arctic region, is to be transferred to Canada Development Corporation, the prime purpose of which is the making of profit. How stupid a proposal that is! The proposal will make the lives of the people of the north country even more difficult than they are at present.

According to the minister, Canada Development Corporation will be restricted to dealing with companies with an equity of at least $1 million. That will effectively freeze-out those people who most need the assistance of such a corporation. It will freeze out small Canadian companies and those Canadians with a good idea but who need capital to develop it. It will freeze out those kinds of free enterprises that members on the government side supposedly are so much concerned about. It will freeze out people who play such an important role in the life of this country and in developing this country according to the free enterprise tenets of the Liberal government.

The Minister of Finance says that this important, new government corporation will be prohibited from investing money in precisely those companies and those individuals who need its help the most. What is proposed is exactly the opposite. The company will be prepared to invest money in large corporations. Mr. Speaker, we are already doing too much for large corporations. In the past five years we have turned over to large corporations, mainly through the Department of Regional Economic Expansion, $750 million in the form of outright grants, loans, incentive grants and research grants. Now the government proposes that those who have shall obtain more.

These large, and usually foreign-owned, corporations are already getting from Canadian sources over 90 per cent of the money which they need for expansion, through retained earnings, capital cost allowances and borrowings in the Canadian market. Now the government proposes to subsidize these giants of industry further through Canada Development Corporation. Studies have demonstrated pretty conclusively that many Canadian industries, and certainly large Canadian industries, do not lack finances. The studies show that there is a lack of knowledge of modern and sophisticated management, business techniques and leadership. What is needed is not more money but more government leadership, direction and co-ordination.

We of the New Democratic Party have been critical of this bill as it is proposed by the Minister of Finance. We have been critical for the reasons I have indicated. We are critical because the bill will do nothing to meet the

needs of the Canadian people. We propose that all financing for Canada Development Corporation should be out of public funds and that there should be no mix of public and private investment, as proposed in this bill. We say that, Mr. Speaker, because we believe that all Canadians ought to benefit from investment in Canada Development Corporation, not just the 10 per cent who have the money to invest in it.

We propose that all financial institutions should be required to invest a percentage of the Canadian savings which they control in Canada Development Corporation. The banks, insurance companies, mutual funds and pension funds control money obtained in various and legitimate ways from the Canadian people. It seems to us logical and equitable that they should be directed by the Canadian people, through the government, to invest a substantial part of the money which they control in Canada Development Corporation, which ought to be a 100 per cent publicly-owned and publicly-financed corporation.

Also, Mr. Speaker, we suggest that mass government handouts of money to private industry should be stopped. The labyrinth of agencies which has grown up in recent years, whose purpose is the handing out of money to private industry, should be done away with. The funding of industry by government—and I would include provincial governments, although we have no direct control over them—should be rationalized. The funds should be allocated for incentive purposes through Canada Development Corporation. As I said a few minutes ago, during the past five years the government has given to the private industrial sector of Canada in the form of government grants, subsidies and incentive grants, over $750 million. About 60 per cent of this money has gone to foreign-owned corporations which already control the most important functions of Canadian industry and commerce. We suggest that one way of stopping that kind of handout would be in consolidating all the giving and borrowing through the Canada Development Corporation.

The corporation ought to be controlled completely by the Canadian people, so that all the profits would go back to the Canadian people and the corporation could help in developing the industries of Canada and provide jobs for Canadians. In that way the corporation would help to bring industry and jobs to the slow-growth areas of Canada and it would not concentrate—as the government obviously, directly and clearly wishes in this bill—on the making of profits which would go, not to all the Canadian people but to the small percentage who already have most of all that Canadians own.

The Acting Speaker (Mr. Richard): Order, please. Is the House ready for the question?

Mr. Knowles (Winnipeg North Centre): Four o'clock, Mr. Speaker.

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

Mr. Francis: Mr. Speaker, I understand that if a vote is to be taken, it will be taken when this item of business is called on Monday. I believe there is agreement to that effect.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the understanding was that if this debate ended before four o'clock and a vote were called, the vote would be deferred until Monday. But the debate did not end before four o'clock.

An hon. Member: You have another week.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Richard): Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions.

Mr. Mahoney: Mr. Speaker, I believe there is unanimous disposition to proceed immediately to item No. 17, in the name of the hon. member for Parkdale (Mr. Haidasz), and to permit the preceding items to stand and retain their place on the Order Paper.

The Acting Speaker (Mr. Richard): Does the House agree unanimously to the hon. member's suggestion?

Some hon. Members: Agreed.

• (4:00 p.m.)

PRIVATE MEMBERS' MOTIONS

INCOME TAX

SUGGESTED DEDUCTION FOR RESIDENTIAL TAX ON OWNER-OCCUPIED HOMES AND RENTAL ACCOMMODATION

Mr. Stanley Haidasz (Parkdale) moved:

That, in the opinion of this House, the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental payments of accommodation by tenants to be deductible from federal personal income tax up to a maximum allowable of $500 each year.

He said: Mr. Speaker, I welcome this opportunity to again introduce in the House a motion designed to relieve the overburdened Canadian taxpayer. In reintroducing this motion I hope to bring to the attention of the federal government, and especially to the attention of the Minister of Finance (Mr. Benson), the urgent need to ease the great burden of the Canadian taxpayer who is not only heavily taxed but is in some cases the victim of double taxation. It is my opinion, which I believe is shared by many people, that those who dwell in owner-occupied homes and tenants in rooming-houses and apartment buildings deserve favourable consideration by the Minister of Finance.

The federal government has a stake in the provision of adequate housing for its citizens, the creation of incentives to increase employment and lending money to municipalities which must provide many services to their residents. Since the federal government involvement in

our cities is limited by the Constitution, provincial governments are mostly responsible for land use planning, regional economic planning and education.

Unfortunately, the provincial governments have not yet produced adequate policies and programs to relieve the financial burden of our municipalities. These services and other problems have been left mostly to the local municipalities, which are limited in their power to raise money in order to keep abreast of the demand for more services brought about by increased industrialization and growing population. Therefore, we are subjected to increased municipal taxes every year. Cities especially are very pressed to provide more services for their residents and find it most difficult to finance their projects.

In his inaugural address to the city of Toronto in January, 1970, the mayor of Toronto stated as follows:

> If there was one message which came through loud and clear during the last municipal election in Toronto, it was the appeal from home owners of this city that they cannot afford to pay higher taxes.

Among other things, he also stated he was most disappointed to see no mention in the governments' white paper on tax reform dealing with the resolution that was considered by the Federation of Mayors and Municipalities which called for a provision to allow municipality taxes to be deducted from individual taxable income. Such a provision is allowed in the United States and it prevents the present injustice forcing a home owner to pay tax on a tax. A person paying property tax is in effect paying a double tax. The hard earned money with which Canadians pay their property taxes has already been taxed to death by the provincial governments of the federal government.

Many tax experts have described the municipal residential taxes as inequitable and regressive, bearing heavily upon those who can least afford them. At the present time, property taxes paid by businessmen are deductible. Property taxes paid by apartment owners are also deductible. Property taxes on single family-owned homes rented to tenants are also deductible for the owners. Furthermore, an apartment building owner can take advantage of the corporate tax law and deduct his operating expenses, mortgage interest costs and municipal taxes, whereas dwellers of owner-occupied homes and tenants in boarding houses and apartment buildings do not get any such relief in computing their federal income tax. Not only are cities plagued with rising costs to meet the demands for more services, increased welfare payments and public works to provide jobs, but the ordinary citizen has been hard pressed with rising taxes at the federal, provincial and especially the municipal level.

Property owners will be faced in 1971 with higher real estate taxes due to the increased cost of education and welfare programs. The heavy load placed on property and business taxpayers, which amounts to approximately 77 per cent of all municipal revenue, produces many unhappy results. Observers point, for example, to the case of older people with limited retirement income who denied themselves in earlier years in order to pay for mortgaged homes. Now they find themselves faced with heavier and heavier tax bills. We often hear government spokesmen say that older people would be better off in apartments. However, I maintain that they have not much choice: many have to stay in their own homes and struggle with increasing taxes and maintenance costs. Moreover, a rise in taxes often brings an even larger increase in apartment rents. As costs soar, renters feel an increasing pinch. For every $5 rise in taxes, they dole out approximately $7 to $10 more for rent.

Whether the answer to the municipalities' dilemma is tax sharing, a shift of responsibilities, or both, is still a very hazy question. Many progressive provincial and federal leaders agree that the municipality, and thus hard-pressed property owner, should be in line for a new and fairer deal. I think it is a well known fact that real estate taxes in Canada are probably higher in proportion to income than in other advanced countries. Even the Carter Commission on Taxation described the municipal real estate tax as regressive and bearing heavily upon those who can afford it least.

Reading the resolutions of the convention of mayors and councillors of Canadian municipalities, it is obvious there is growing concern for and great dissatisfaction with the senior levels of government for not giving municipal taxation the attention it deserves. The rumblings of discontent are also growing louder each day in all sectors of Canadian society. I therefore believe it is imperative that the Minister of Finance, along with his provincial counterparts, give this matter serious and, I hope, favourable consideration.

By supporting this motion hon. members will make it possible not only for residents of owner-occupied homes but also for people who live in boarding houses and apartments to claim an exemption in their personal income tax. This will ease the intolerable load of taxation which is now a crushing burden on the taxpayers of Canada. Today, Mr. Speaker, is an opportunity for all members of the House to rally behind this motion so that the government will be forced to reduce federal income taxes. That is why I have brought this motion to the attention of the House, and once again I urge all hon. members to support it wholeheartedly.

• (4:10 p.m.)

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I have no hesitation whatever in rising to support the motion of the hon. member for Parkdale (Mr. Haidasz). I compliment him on bringing it forward and I agree with virtually everything he has said. In my humble opinion, this is a most worth-while and humanitarian move.

Even at this late date I welcome the hon. member's conversion. It has taken a little while for him to be converted. Speaking of conversions, Paul on the road to Tarsus—

Mr. Knowles (Winnipeg North Centre): Damascus.

Mr. McCutcheon: I am sorry; I stand to be corrected.

Mr. McBride: The Tories are all on the wrong road.

An hon. Member: Naturally. He was blind.

Mr. McCutcheon: Mr. Speaker, you will have to protect me from the interjections of some of these people. He was blind for three days, but he saw the light instantaneously.

Let us get back to something which some members of this House will understand better. A kitten gets to see after three days, but for the hon. member who moved the motion it has taken six years to progress this far. I have here a piece of paper dated October, 1965, which reads:

> Home Owners and Municipal Taxes: Up to $500 will be allowable as a deduction for income tax purposes. This will give the federal government an immediate share in the cost of education by easing the burden of property taxes. It will also encourage home ownership, an important part of Progressive Conservative policy for the 1965 general election. Diefenbaker.

I point out to hon. members that this program was not a howling success, as history will attest. I throw this out as a word of caution to the hon. member for Parkdale. However, I am personally encouraged because, who knows, after the progress the hon. member has made he may even join his former colleague from Toronto who saw the light a little earlier. Seriously, though, this concept is an excellent one and I think it should be followed through. Increased savings could be generated and these could be used to help our country in some way. How much ought to go into such a development fund, I do not know. But the government could encourage the program by appropriate incentive tax moves. Like the hon. member for Parkdale, I urge the government to accept this worth-while suggestion. Let us pass the motion forthwith.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, like those who have already spoken, I want to express general support for the intent of the motion because I think the hon. member for Parkdale (Mr. Haidasz) has been picking away for quite a few years trying to solve through this motion the problems of the hard pressed city taxpayer.

We know in this House that over the years the problems of the cities have been increasing by geometric progression. They have been piling up higher and higher and, as the hon. member for Parkdale said, the kind of services and the number of services now required of city administrations is very great indeed. It is only a very short time since in its fullness the whole idea of pollution control and the ramifications of that were added to the other matters which our cities have to consider and, of course, the last few months have been a terrific increase in the welfare burden due to the large degree of unemployment we have been experiencing.

I take issue with the hon. member for Lambton-Kent (Mr. McCutcheon) to some extent. I want to point out that whether or not the conversion of the hon. member for Parkdale took place on the road to Damascus, Tarsus or any other place, he did not see the light in three days or even in six years in one flash. It has taken a long time.

An hon. Member: He is a slow growth type.

Mrs. MacInnis: Yes, it is very slow growth. This bill is improving. I do not know whether, like wine, it is improving with age or whether it is improving with the age of the hon. member or what, but it is improving. I remember speaking on this bill when the hon. member had it directed completely to owner-occupied homes. This afternoon we see, and this is greatly in his favour, that he does not have a closed mind. When he began considering it, he realized that people were paying rent as tenants. I do not know whether he would include boarding houses in his measure. Yes, he would: he certainly mentioned it in one of the papers he read from. However, these people also are paying taxes very heavily. So this is the first change the hon. member has made, and I think this change is a very good one and the resolution is improving when he speaks of the feasibility of allowing residential taxes not only on owner-occupied homes but on rental payment for accommodation by tenants to be deducted from personal income tax.

Then he adds the ceiling of a maximum allowable, for income tax purposes, of $500 each year. I believe the idea of a ceiling is all right, but I think he has the ceiling in the wrong place. This is why I am hoping that the conversion by next year, unless the government accepts the motion this time, will have that ceiling in another place. You see, the ceiling of the $500 would be deductible by anybody who owned a home and lived in it, or a renter-occupied home, or any kind of rented accommodation.

I think we have to provide a ceiling having reference to the income of the people living there, instead of a ceiling in reference to the kind of accommodation wherein they live. This kind of ceiling would give equal protection to the owner of a $50,000 home and to the tenant who pays $150 a month in rent. It would give equal protection to the owner of a $50,000 home and to people in my riding who perhaps paid $5,000 years ago for their home and are now elderly people with very little to go on in the way of resources. They would not get nearly as much benefit relatively by being able to deduct from their income tax up to the $500 ceiling as some other people would.

• (4:20 p.m.)

I urge the hon. member, if the motion he has moved is not adopted today, to look at its terms and consider placing a ceiling on people according to the income they have. I think it would be better to afford protection to people in direct proportion to the extent of their burden of taxation. Like the two other hon. members who have spoken, I do not think one can overemphasize the need for this sort of measure at the present time. Our cities are finding the going very tough financially. I do not think this proposal would in itself provide a new and fair deal for the hard pressed home owners and tenants, but I think it would be very useful if the hon. member considered the ceiling I have suggested.

What is really required is a reallocation of the tax revenues among federal, provincial and municipal authorities. It is a fact that today the municipalities have

a much greater responsibility in meeting the needs of people than they had a few years ago. Consequently, the federal and provincial governments must apportion greater revenue according to greater responsibility. The federal government cannot escape coming to a new revenue-sharing agreement with the provincial governments, who in turn, if they are to be fair to the municipalities, must come to better tax-sharing arrangements with the municipalities. In the province of British Columbia, and I believe in the province of Ontario, the provincial authorities, in lieu of making a new tax-sharing agreement, have been giving home owners a grant. That is good as far as it goes, and certainly no one would care to tamper with any arrangement that helps home owners. But it is open to the same objection I have to the motion proposed by the hon. member for Parkdale, namely, that it helps everyone on a flat-rate basis regardless of income. This is why I consider it an emergency measure only.

I noted that the hon. member for Parkdale quoted the resolution of the Federation of Mayors and Municipalities which proposed that city and municipal taxes be deducted from taxable income. If this proposal were adopted, then a sliding scale would be in effect that would be in accord with people's income and ability to pay. The last point I wish to make is that I do not think the federal government can escape taking another look at its white paper on tax reform and deciding to implement, to a far greater degree than I suspect is the government's intention, the principles of the Carter report, which state that a dollar of income is a dollar of income, no matter where it comes from or how it was earned; that people ought to be taxed all the way up the scale without regard to the way in which they earn their living or obtain their income.

With these reservations, and particularly the one I have expressed with regard to the ceiling, we would wholeheartedly support this measure so long as it gave relief to people according to need. Certainly this change would improve the proposal greatly. If the hon. member for Parkdale gets a shot at this another year, then I have no doubt that with these modifications the motion would have the blessing of every member of the House.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, it is a delight to take part in this debate for at least two main reasons. The first is because of, I believe it is accurate to say, the universal admiration of the House for the hon. member for Parkdale (Mr. Haidasz) and our awareness that he is an individual with a very deep humanitarian concern, something that this notice of motion bears out. I draw the attention of the House once more to the wording of the motion, which reads as follows:

> —the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental payments of accommodation by tenants to be deductible from federal personal income tax up to a maximum allowable of $500 each year.

The second reason that I am delighted to speak on this important notice of motion was also articulated very well by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) as well as the hon. member for Parkdale, namely, that the motion deals with the tax burden that falls upon the municipalities in this country. A study of the statistics relating to the tax load assumed by municipalities makes this increasing burden obvious.

I am delighted to see the hon. member for Coast-Chilcotin (Mr. St. Pierre) in the chamber. With great respect, I should like to draw the attention of the members of the House interested in this subject to a speech that he made some months ago wherein he demonstrated very capably with facts, research and statistics that the area of government among the three levels, federal, provincial and municipal, which was expanding the most was the provincial level and the one locked in a corner on this question was municipal government. I am not going to go into this because it is all in *Hansard*, but it is a speech that I would highly recommend to anybody interested in this motion; indeed, in the whole question of how better to help the municipalities.

The motion recommends to the House a kind of direct tax deduction up to a maximum of $500 a year. The directness is admirable in some ways, but it also has weaknesses. One of the attractions to me is that it means those on lowest income will, in a sense, get the most help. It may well be that a $500 diminution of taxable income—no, it is not taxable income, and that is an important point. What it is is an actual reduction of payable tax, at least as I read the hon. member's notice of motion. It is an actual reduction in the amount of tax that is in fact paid, not a reduction in taxable income. This, in particular, would help those who had only a small amount of tax to pay and might indeed remove them from the tax roll altogether. To an extent, I suppose it presumes that all of us are hoping that when the tax reform legislation is brought before the House very shortly in the life of this Parliament, it will accomplish something like this.

Since I realize others wish to speak I shall come straight to my main point, and it is this. How do we relieve the tax burden that falls on the elderly and on the poor? We relieve the tax burden on the elderly and the poor by revising our tax system to give them a smaller share of the tax burden. I should like to bear upon the good graces of the House for a few moments this afternoon to quote but a few sentences from a letter I received dealing exactly with the topic now before us. It is from a constituent of mine. I am sure many members, especially those who have been members for many years, will have thicker files than I have on this subject, though my own file is quite thick. Let me just put on *Hansard* a sentence or two of this letter:

• (4:30 p.m.)

> As you know I am a widow over 80 years old, living alone, own a small property and find it very difficult right now with price of living going higher, to manage on my bond interest and pension. I hesitate to cash in on the savings which my husband and I had laid aside for our old age which if I have much medical or nursing care wouldn't last long. My school tax alone in 1970 was $134.95. It just doesn't seem fair to be paying so much,

when you have no one connected with school. We had to pay ourselves when our family went; no buses picking them up.

You mentioned in one report that a couple should have $255 supplement to live on. Did you not take into consideration the many things that a couple can have with the same outlay as one.

This widow goes on to talk about other things concerning the old age pension plan which do not bear directly on this motion. I certainly intend to leave the impression with the House that the education tax load, and the manner in which it is imposed in respect of owners of residential property, is unfair to elderly people; it creates an extremely hard burden. These are considerations we should take very seriously. How do we help to adjust the tax load on people like this widow and poor people in our communities? The hon. member for Parkdale suggests a direct gift, a donation or a reduction of $500 from the tax which has to be paid. I suggest this would be a stopgap measure.

The hon. member for Vancouver-Kingsway recommended this temporary stopgap measure. I assume that the hon. member for Parkdale was putting this suggestion forth in some measure out of disparity. The statistics which have been pointed out this afternoon indicate that these difficulties existed some six years ago. The point is that if this matter was urgent six years ago, it is urgent now. Tax reform is something we have been fiddling around with in this country for roughly a decade. This is something I hope we can deal with in the House very soon. The House should send this matter to committee for consideration. I hope this will take place shortly and that we will have a tax reform bill before us in the near future.

I confess I have some doubt that the proposed method of taxation is completely fair. Many people invest money in homes. Many people are tenants. Everyone has to live somewhere. We all benefit in some way or another from tax reforms. If we take the example of an apartment building housing 100 tenants, with the suggested rebate of $500 we would have $50,000 going to these people who may or may not need it.

The main reason I rose this afternoon was not to quibble over minor points. I wanted to commend hon. members who are concerned about this difficulty. I hope that some way can be found for municipalities such as Carleton Place, in my own constituency, to establish a stronger tax base for the purpose of building necessary things such as new sewer systems. Areas like Carleton Place are inhabited to a great extent by elderly people. They have, as the hon. member from Toronto has said, already paid their taxes for the purpose of educating their children. They require some relief. I appeal to the Minister of Finance (Mr. Benson), through his very capable parliamentary secretary who is in the House this afternoon, to take some action to revive the property-oriented tax load on Canadians. For this reason I support the motion.

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, the hon. member for Parkdale (Mr. Haidasz) has made a very interesting proposal. It is a proposal in respect of which I find some difficulty because I represent a group of citizens in this country who are in a unique position in so far as their municipal government is concerned. Their municipal government happens to be the federal government. I am speaking of the citizens who live in the towns of Banff and Jasper.

The hon. member for Parkdale I know is very well aware of the problems which exist in so far as municipal matters are concerned in these town sites. He was the parliamentary secretary to the minister responsible for the department which administers the affairs of these areas. The difficulty I find is in the wording of this notice of motion. It provides for the reduction of residential taxes on owner-occupied homes or rental payments for accommodation by tenants.

I am interested in the people who live in the towns of Banff and Jasper. All the land in these areas is owned by the federal government and leased to the people who live there. At one time the rental in these areas was very nominal but recently it has increased by a very substantial amount. Some rentals in respect of very modest residences, of a value of about $15,000, run as high as $2,800. I am referring to the taxes on the land only, rather than on improvements.

In addition to this, the occupants of this land have to pay the usual school taxes. If this notice of motion is accepted, these people will be allowed to deduct a proportion of this amount. Nevertheless, they would not be able to deduct about half the taxes that people living in other parts of Canada are allowed to deduct. It is in this sense that I suggest the 7,000 or 8,000 people who live in these areas, many of them not by choice, will be put into an iniquitous position.

At the present time the people who live in these areas lack many of the ordinary rights and privileges enjoyed by other people in this democracy. These people cannot elect municipal councils. They do not have any say about the disposal of the moneys they pay in land rental. This money is equivalent to a tax by the Department of Indian Affairs and Northern Development. That department refuses to consider this as real property tax and defines it as land rental. Because of this, I submit that if this notice of motion were adopted the Department of National Revenue would have to rule that the money received from these residents is not, in effect, rental payment for accommodation of tenants but another form of rental, by the Department of Indian Affairs and Northern Development. Therefore, these people would be further prejudiced and not placed in a position of greater equality in respect of other citizens of Canada.

• (4:40 p.m.)

On the other hand, it may well be that the adoption of the notice of motion, or the adoption of at least some semblance of it, by the government would bring this matter to a head and would result in the people in these townsites being treated in a way more akin to the way in which the ordinary citizens of Canada are treated, in that if the government would recognize that the money being

demanded from the residents of Banff and Jasper are in fact taxes on their homes, they would have a claim to representative government at a local level. They would have a claim to municipal government, which is now denied them because they are told there are no taxes involved and therefore they are not faced with the obligations faced by citizens in other municipalities.

Mr. Speaker, I hope I have pointed out why, even if this were a government bill, I would be inclined to oppose it notwithstanding the fact that it would benefit many people in Canada. I believe that unless special provision is made it would increase the inequality and the unfair treatment that is meted out to citizens of Canada who live in the townsites of Banff and Jasper.

[*Translation*]

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, first of all, I would like to congratulate the hon. member for Parkdale (Mr. Haidasz) for introducing a second time the motion under study.

[*English*]

I certainly agree with the hon. member, Mr. Speaker, to the extent that I would support any relief given to a property owner at the local level. I believe consideration should be given to a change in taxation policy so that everyone would be treated equally and there would be no discrimination. One of the greatest problems the municipalities face in respect of financing is that they are the collectors with regard to the annual costs of school boards. I had also hoped that provincial governments, at least the government of my province of Manitoba, would eliminate the responsibility the municipalities have of being collectors for school boards. In so doing I would also hope that they would show the people who are paying the taxes where the real costs are, so that they would have a better idea where their money goes.

The municipalities must provide services. They require money to meet their budgets and at the same time they must collect taxes for school purposes. To that end, the province of Manitoba made an attempt to relieve property owners. This means that the provincial government of Manitoba realized the position in which the property owners are placed and that there is a problem. A few years ago they thought that by placing a 4 per cent utility tax on telephones, gas, heating, electricity, and so on, they could solve the problem in greater part. However, when they imposed this 4 per cent tax on utilities they found it gave them enough money to give a $50 rebate to every property owner in the province of Manitoba. Then the municipalities in turn made representations to the provincial government and said that this was not enough. The provincial government realized the municipalities were right and decided to implement something else. They thought a 5 per cent sales tax, which we did not have previously in Manitoba, would solve the problem.

While the 5 per cent sales tax was implemented to solve the education problem, something funny happened down our way. The 4 per cent tax on utilities remained there, the $50 rebate was eliminated and we were faced with a 5 per cent sales tax over and above that. The property owners really do not benefit because the school costs and everything else are still climbing. At the same time, the provincial government felt it should change the name of the 5 per cent sales tax so that instead of being the 5 per cent sales tax for educational purposes it would be a multipurpose tax. So I presume, like many others in the municipal field, that this money is really not being used for the benefit of the property owners.

I should like to refer to the submission made to the Royal Commission on Taxation by the Canadian Federation of Mayors and Municipalities in 1964. I believe it is just as good today as it was then. I shall only quote a portion of it, as follows:

> One of the most severe limitations on municipal use of the property tax arises from a feature of our federal income tax law. In effect, Canadian property owners are subject to double taxation on that portion of their income, used to pay municipal taxes. By contrast, in the United States, all payments made on municipal taxes may be deducted from personal income in computing taxable income. The Canadian taxpayer is subject to double taxation on the amount which he pays in property taxes as well as on amounts paid in other municipal taxes.
>
> It is only by allowing such an exemption that municipalities can be given full use of the property tax field. Quantitatively, this restriction on the use of the property tax is a severe one. A simple calculation will show that, by allowing deduction of municipal taxes from income, the federal government would enable municipalities to have access to substantially greater revenue from the property tax.

I for one would certainly support this to the end that it would relieve the municipalities in respect of education costs and place the responsibility on the provincial governments.

• (4:50 p.m.)

Mr. Tom H. Goode (Burnaby-Richmond-Delta): Mr. Speaker, I would like to compliment the hon. member for Parkdale (Mr. Haidasz) for bringing this important and interesting issue before the House once more. It seems that this motion has two objects. One is to help the citizen with his problems in financing his dwelling and the second is to bring about a more equitable Income Tax Act or a reformed tax act. While I am sympathetic to both goals, I am not positive that this motion is the best way of accomplishing these ends.

I agree fully that many Canadians are having difficulty in financing their housing. They are having difficulty with their mortgage payments and their residential and school taxes. But, as I said, I doubt whether this type of motion will best help these people. It would appear that the most just solution to the financial problems of persons on limited income is income tax reform and, as many hon. members opposite may have heard, legislation will be presented in the House to that end as early as May. I take for granted that opposition members will co-operate to the fullest to see that the reform legislation passes all stages of the Commons process at maximum speed.

Mr. Speaker, in my opinion there is one outstanding omission in the hon. member's motion. No reference has been made to deduction of mortgage interest from income tax payments. It would appear to me that interest costs are even more of a burden to the home owner than property taxes. Even for the most modest home, interest rates in recent years have skyrocketed to take a major percentage of the workingman's income. Consequently, I suggest that this additional question be discussed by hon. members.

May I discuss one of the major items in this motion, and that is the limitation to $500 of the amount of municipal tax to be deducted. First may I suggest that this figure may no longer be adequate. Municipal taxes have increased to the point that in 1971 a figure of $1,000 would be more in tune with present-day costs, although I agree that there must be a limit to the amount to be deducted in order to assist those in our society who need help the most. For example, those who have $100,000 and $75,000 homes would receive much larger deductions than those who have $20,000 and $25,000 homes. I would not think it fair to have a measure to help people with their housing costs based on individual value, as is the case with residential taxes.

I feel that if we want to help people with housing there are better methods than merely allowing income tax deduction for property taxes. Indeed, the present program of placing federal housing funds into low and medium-cost rental projects is placing the funds in an area where they are most needed. Builders and developers are responding as they never did before to the government's program of priorities for middle and low-income families. In my own riding of Burnaby-Richmond-Delta, over $40 million was invested in 1970 by Central Mortgage and Housing Corporation in developments as prompted by such well known builders as Westsea Construction, Burger Construction, Inter-Continental Holdings, Ed Sully Development and Dawson Housing. These men, in conjunction with CMHC, have built excellent complete developments to serve my community.

In conclusion, Mr. Speaker I compliment the hon. member for Parkdale, but I must add that although the intent of the motion is an excellent one, nevertheless I would encourage the minister responsible for housing to increase and expand the present policy with respect to low and middle-income housing.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it had not been my intention to intervene in this debate. However, it seems to me that in his very admirable presentation of the motion the hon. member for Parkdale (Mr. Haidasz) overlooked one item that should be of considerable concern to this House in deciding whether or not to vote in favour of the motion and to make the recommendation to the government that a tax rebate be given to both home owner taxpayers and renter taxpayers. I refer to revenues so far as the federal treasury is concerned.

No statistics have been advanced to indicate the number of householders in Canada. I am sure they are available, but I do not have them here. However, in the 1968 income tax year, as disclosed by the 1970 edition of "Taxation Statistics", slightly under seven million persons in Canada paid personal income tax. The average tax paid by those taxpayers was $727. Assuming, for the sake of argument, that half of those taxpayers were householders, either tenants or owners, the loss of revenue to the treasury would be something in the order of $2.5 billion. If a third of these taxpayers were householders the loss to the treasury would be something in the order of $1.5 billion.

The federal government, through transfer payments to the provinces, shares many of the costs of municipal governments through hospitalization, education grants and so on, and has to have revenues that filter down to the municipal level and benefit municipal governments. I think that the proponents of this suggestion should be prepared to come forward and indicate to the federal government just where they would expect taxes to be increased, or new taxes to be levied, in order to make up the $1.5 billion to $2.5 billion that would be rebated to taxpayers.

Home owners at present have an important tax concession in that they do not have to include in income the benefit they receive in the form of living accommodation. For example, if a taxpayer invests $20,000, $25,000 or $30,000 in bonds he has to account for the interest on those bonds as income and pay tax upon it. But if he invests $20,000, $25,000 or $30,000 in a home he does not have to pay any income tax at all on the benefit he gains from that type of investment.

The proposal to allow home owners to deduct property taxes from their income tax—and again I think the distinction is very important—which the hon. member is proposing is a tax credit. It is not a deduction from taxable income but a deduction from tax, or a tax credit or rebate. This would give the home owner taxpayer a further benefit that taxpayers who do not enjoy that status do not receive. The proposal to allow those who rent living accommodation to deduct a similar amount would help prevent this group falling still further behind the positon of taxpayers who are home owners—

[*Translation*]

The Acting Speaker (Mr. Richard): Order. The hour provided for the consideration of private members' business has now expired.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, I realize this question may not be answered definitely, but can someone on the government side advise what the business will be for Monday, so we can have the weekend to think about it?

Business of the House

Mr. Francis: Mr. Speaker, I believe the business of the House for next week will be as announced by the President of the Privy Council, recorded at page 3742 of *Hansard.*

The Acting Speaker (Mr. Richard): It being five o'clock p.m., this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order. I wish all patient and loyal hon. members an enjoyable week-end, and in line with the thoughts expressed by some hon. members during the recent debate and in the spirit of the Lenten season, perhaps we should count our blessings and resolve to share a little more with those who are less fortunate than we are.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 1, 1971

The House met at 2 p.m.

SPRING!

Mr. Tom H. Goode (Burnaby-Richmond-Delta): Mr. Speaker, I rise to bring before the House an especially fragrant example of regional disparity. For weeks now the people of British Columbia have had the advantage of certain favourable conditions that have been denied to Canadians in other parts of this land. However, I assure the House that such inequity has not gone unnoticed. Members of Parliament from British Columbia have decided that the time has come to put an end to this injustice. In short, Mr. Speaker, we have decided to share a bit of spring with the rest of Canada.

Some hon. Members: Hear, hear!

Mr. Goode: Aided in our task by the Greater Vancouver Visitors and Convention Bureau, we have provided every member of the House with a tangible example of the glorious harvest of spring in that most beautiful of all provinces, British Columbia. It would be my hope that every representative here would cherish this bloom and, cradling it in his arms against the snows of eastern Canada—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member's flowery speech is somewhat irregular. I suppose he could go on, with the unanimous assent of the House.

Some hon. Members: Agreed.

Mr. Goode: —carry it forth to make known to his constituents in flowery phrases the glad news that spring is on its way to the other regions of Canada as well. If I have one regret, Mr. Speaker, it is that these sunny daffodils are not from the gardens of my riding. Alas, the season for daffodils has passed there. Instead, roses of every description now reach toward the cloudless skies. Just as British Columbia leads Canada into spring, so Burnaby-Richmond-Delta leads British Columbia into summer.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Yewchuk: On a point of order, Mr. Speaker, may I point out that these daffodils merely indicate that spring is only one month away in Alberta.

ROUTINE PROCEEDINGS

DRUGS

TABLING OF CONVENTION ON PSYCHOTROPIC SUBSTANCES—STATEMENT BY MINISTER

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, under the provisions of Standing Order 41(2) may I lay on the table of the House, in both official languages, copies of the Convention on Psychotropic Substances which was adopted by the United Nations Conference at the conclusion of its work a few days ago in Vienna.

In view of the pending final report of the Commission of Inquiry into the Non-Medical Use of Drugs, Canada did not sign the convention. However, it is hoped that at some future date hon. members will have the opportunity to discuss the advisability of signing and ratifying this important document.

As hon. members are aware, the conference was called to provide the international community with a legal instrument for the effective control of psychotropic substances, including hallucinogens, stimulants and depressants, which are being increasingly used and abused in many parts of the world. Hon. members will be pleased to hear that the Canadian delegation took an active part in the development of the convention.

• (2:10 p.m.)

I will not attempt to summarize the document in detail. However, I wish to point out that the main thrust of the convention is toward international recognition of the need for rigorous measures to restrict the use of psychotropic substances to legitimate purposes. The convention, however, recognizes that the use of these substances is indispensable for medical and scientific purposes, and that their availability for legitimate use should not be unduly restricted.

In general, the convention envisages levels of control similar to those already in effect in Canada. It was for this reason that the Canadian delegation was able to make such an effective contribution to the work of the conference which led to the development of this important international legal instrument.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I agree it would hardly be appropriate for Canada to sign the convention at this stage in view of the commission now inquiring into the use and regulation of the use of drugs in this country.

The minister indicated that the regulations set forth in the protocol are very similar to those in effect in Canada.

However, I express the hope that the Canadian authorities will make as certain as possible that we in this country co-operate fully in regulating the international traffic in drugs because we have a great interest in this matter. There must be many measures that the government of Canada can take, if it is not already taking them, in line with the protocol to reduce the traffic without in any way prejudicing the decision that this Parliament may ultimately make with regard to any recommendations of the Le Dain commission.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I join with the Leader of the Opposition (Mr. Stanfieldl) lin commending the government for taking the position of not signing this convention until we receive the final report of the Le Dain commission and are able to act on its recommendations. From a quick glance I am glad to see that marijuana is not included in the list of drugs which are to be restricted. It is pretty obvious that marijuana is not a drug like the others.

If and when we extend the program to restrict the use of psychotropic substances, I hope we will recognize the fact that attempts by Canada and other countries to restrict their use have been marked by almost complete failure in this field. We should pay a good deal more attention to developing educational programs so that people who have been using these drugs will recognize the real dangers and difficulties that can arise.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I must congratulate the minister for having had the wisdom not to sign too soon the international agreement on which he has just given us a report.

He acted very wisely, at a time when Canada is about the legislate in that field, and has already started to grant subsidies to hospitals for the treatment of those who are physically and mentally affected by the use of drugs in Canada.

It was important for the minister to take his time and give the house a chance to study all the harmful effects of drugs.

I trust the government will legislate in a few months with a view to controlling the abuse of drugs and preventing drug trafficking.

We hope the government will soon offer our young people some solutions for the future that will not force them to resort to false remedies, if they must use drugs.

Unfortunately, there is no time today to talk in the House of all the detrimental effects of drugs. On the other hand, if the government realizes how much harmful drugs threaten the future of our young people, we believe that it will quickly take the means at its disposal to offer them false hopes other than drugs.

* * *

[*English*]

GRAIN

ANNOUNCEMENT OF INITIAL PAYMENTS FOR WHEAT, BARLEY AND OATS FOR 1971-72 CROP YEAR

Hon. Otto E. Lang (Minister of Manpower and Immigration): I wish to inform the House of the level of initial payments for wheat, barley and oats which will become effective for purchases by the Canadian Wheat Board for the crop year beginning August 1, 1971. For wheat, the basic grade for the new crop year will be the new grade, No. 1 Canada Western Red Spring Wheat, which will replace the present grades of No. 1 Hard and No.1 and No. 2 Northern. The initial payment for No. 1 Canada Western Red Spring Wheat for the 1971-72 crop year will be $1.46 per bushel. This is the same as the initial payment for No. 2 Northern in the present crop year.

The initial payment for No. 2 Canada Western Six Row Barley will be 91 cents per bushel, the same level as in effect from August 1 to March 1 of the present crop year.

The initial payment for No. 2 Canada Western Oats will be 60 cents per bushel, the same as the initial payment for the present crop year.

All initial payments are basis in store, Thunder Bay. This early announcement is part of our effort to give the maximum amount of information to producers prior to seeding time.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, western Canada will of course welcome any type of announcement with regard to at least the initial payments on the three major grains which are under the jurisdiction of the Wheat Board.

The other day, however, in releasing the quota arrangements which will go into effect, the department stated that each farmer would have to assign certain fixed acreages for the coming crop year. I note that in the statement released today certain total volumes of wheat, barley and oats are shown and the Wheat Board has indicated it will take in approximately 388 million bushels of wheat, 230 million bushels of barley and 45 million bushels of oats. It is difficult for a farmer to assign any particular acreage if he does not know what the delivery quota will be on a bushel per acre basis. We have a situation in which we have two unknowns and only one known up until now. We cannot figure out an algebraic formula in which there are two unknowns and only one known and come up with a correct answer.

• (2:20 p.m.)

Unless the government is ready at this particular time to indicate what it means in terms of bushels per acre the announcements to date do not make too much sense. Farmers may feel that they have sufficient grain for a six-bushel delivery quota, but if more farmers take advantage of the 388 million bushels of wheat that will be taken in they may find themselves in the position of facing a four-bushel quota and as a result will lose some of their assignable acreage.

The 388 million bushels that the Wheat Board has indicated will be taken in does not fulfil the initial promise made by the Prime Minister (Mr. Trudeau) that the government would set its sights on a total of approximately 1,200 million bushels of wheat to be sold over a three-year period. In addition to the price of wheat being lowered, reflecting a comparison with No. 2 wheat last

year, the price of barley is again lowered to the level it was prior to March 1. Even although from March 1 to the end of the current crop year the government seems to be providing some incentive to farmers to make deliveries, I suggest the lowering of the price offers no inducement to them to do so next year.

The announcement also indicates that the government is somewhat reluctant to provide incentives to farmers to produce feed grain, a commodity that we sadly lack in terms of the export market. There was also one other indication—

Mr. Speaker: Order, please. I realize how important is the matter to which the hon. member is referring at the present time, but the hon. member knows, as the House knows, that the rule requires that a brief statement be made in reply to a statement made by a minister. It is never easy for the Chair to determine what "brief" is; all this is so relative. However, I would think that the hon. member should try to bring his statement to a close.

Mr. Korchinski: In closing, Mr. Speaker, may I say that statement also indicates how hard it is for our farmers to reach a high income position. Having once suffered a slump in world markets and lost some of these markets, a long, hard road faces the farmers on the journey back to the position they were in three or four years ago.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, what the minister's statement means to the western grain farmer is that not only will the initial price of wheat not be increased but it will in fact drop some four cents a bushel, and barley will be at the same level. I think this assessment is a fair reflection of the questions that have been put to the minister repeatedly during the last week or two about the International Grains Arrangement. As a result of the failure of the price negotiations, I think the government's announcement is an indication of what our farmers can look forward to in the international market in terms of price.

What the lowering of the initial price of wheat by four cents a bushel and the restoration of the initial price of barley to its previous level, with the exception of a small increase of ten cents in the current crop year, means to the farmers is that a really tough competitive position is facing them in the export market in the coming crop year. We should have liked the minister to state clearly in the extra information he gave just how competitive we can expect the export market to be. Certain volumes of wheat and barley have been mentioned, but we do not know just how tough we will have to be in competing with the United States, which according to United States Department of Agriculture reports is increasing acreages of corn, sorghum, barley and spring wheat this year. For example, they are projecting an increase of some 17 per cent for spring wheat. This means we have not received any co-operation in cutting down on acreage and that we are going to be in a tough, competitive market. The real question the farmers are asking is, are they going to get volume.

We still do not know what will be the outcome of the minister's proposed stabilization program. Perhaps he is still negotiating with the farm organizations to see whether they will accept all or part of what he has put before them. Does this delay in any announcement regarding the stabilization program indicate a lack of acceptance by farmers and farm organizations in western Canada? These are questions which are left unanswered by the minister's statement today. We still have to await the outcome of the talks he is having to find out what the government's price stabilization program is really going to be.

I welcome his announcement today on initial prices as it will at least give the farmers a clear indication of where they are going.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the Prairie farmers will have been especially encouraged—if I can use that word—during the last week in February, because for the second time, a minister has announced amendments to the initial prices to be paid for grain, provided of course that it is stored in Thunder Bay.

Previously, it had been announced that an amount of $40 million would be allotted to a program aimed at encouraging western farmers to devote themselves to fodder growing.

I must say that in eastern Canada, there is an exceedingly serious problem. During the weekend, farmers and agricultural organizations have again made to me representations to the effect that they are still encountering difficulties in obtaining feed grain and that prices are constantly increasing.

Even though prices might be somewhat higher in the East, I hope the western farmers will benefit by it, although it seems from the statements I have just heard that it will not be so.

In any event, I would again ask the Minister of Agriculture (Mr. Olson) to see to it that the eastern farmers are able to get feed grain at better conditions, by increasing grants to transportation if necessary, because at the present time many hog, broiler and even egg producers are on the verge of bankruptcy. We seem to be heading towards utter confusion.

Over the weekend I heard that the Quebec Minister of Agriculture wanted to built a slaughter-house in the Quebec area so as to encourage the farmers who had to give up dairy production to switch to hog production; grants would be paid to them, so that the land that was used for the production of fodder could now serve for the production of grain, thus enabling them to feed their pigs at lower cost.

In the West, farmers are told to stop growing grain and to grow fodder. In the East, they are told to do the opposite. And that, in the same country.

Mr. Speaker, it will be necessary to come to an agreement, to sit down and seriously discuss, in one and the same country, the best programs to be carried out, in order to ensure to both the eastern and the western farmers, better conditions and their fair share of the national revenue.

Questions

• (2:30 p.m.)

[*English*]

CANADA PENSION PLAN

AMENDMENT TO PROVIDE FOR HOUSEWIVES' CONTRIBUTIONS AND BENEFITS

Mr. Max Saltsman (Waterloo) moved for leave to introduce Bill C-226, to amend the Canada Pension Plan (Housewives' contributions and benefits).

Some hon. Members: Explain.

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to enable housewives to make contributions and collect benefits from the Canada Pension Plan. Since many housewives spend part of their careers working in industry as well as working at home, they should be permitted to continue their contributions to the Canada Pension Plan while at home to ensure them a full pension at retiring age. The bill recognizes the equal importance of work performed at home with the work performed in industry and provides housewives with the same pension opportunities.

Mr. Speaker: Before the Chair puts the question, I think I should bring to the attention of the House the explanatory note attached to the bill. I am informed this has not been looked at by the law branch and there might be some procedural difficulties in connection with the bill in respect of the extent that it is in conformity with the explanatory note. However, this might be a bit unfair to the hon. member since the motion has already been put to some extent to the House. The Chair will look at the matter and confer later with the hon. member for Waterloo.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Speaker: I insist again that this bill, which has now been read the first time, will appear on the order paper subject to the caution to which I have just referred.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

COMMERCIAL RELATIONS WITH SOUTH AFRICA—ASSISTANCE TO OTHER AFRICAN COUNTRIES

Question No. 191—**Mr. Brewin:**

1. Is it the intention of the government to ensure that the Crown corporation, Polymer, withdraw all its investments and cease any technological or other agreements which it has with South African companies or concerns?

[Mr. Lambert (Bellechasse).]

2. Is it the intention of the Government of Canada to give consideration to abrogate the 1932 Trade Agreement embodying the exchange of preferential tariff entries between Canada and South Africa?

3. Is it the intention of the Government of Canada that it cease the expenditure of public funds to promote trade and investment in Southern Africa, by the withdrawal of Canadian Trade Commissioners in South Africa and the cessation of a variety of other government services which presently promote commercial relationship with Southern Africa?

4. Is it the intention of the Department of Industry, Trade and Commerce to continue to make appeals to Canadian investors and traders to take advantage of the opportunities in South Africa in their publication *Foreign Trade*?

5. Is it the intention of the Government of Canada to indicate to Canadian companies investing in South Africa that such investments are made without the support of the federal government?

6. Is it the intention of the Government of Canada not to participate whatsoever in the building or equipping of the Cabora Bassa Dam in Mozambique?

7. Is it the intention of the Government of Canada to discourage investment and deny export credit guarantees to Canadian firms wishing to invest in Namibia?

8. Is it the intention of the Government of Canada to provide financial, technical and medical assistance to the various African liberation movements to the United Nations or to the Organization of African Unity?

9. Is it the intention of the Government of Canada to extend the ban on military sales to Portugal and to South Africa, to include the sale of spare and replacement parts for military equipment and for piston and jet engines?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed as follows: 1. See answer to Question No. 59, *Hansard,* January 11, 1971, page 2250.

2. There is no intention at present on the part of the Government of Canada to give consideration to the abrogation of the 1932 Canada-South Africa Trade Agreement which provides for the exchange of tariff preferences between our two countries.

3. The Government's recent announcement in the House on November 2nd stating our support for the July 1970 U.N. Resolution extending the arms embargo against South Africa included the statement quote in complying with the recent U.N. Resolution on this subject, the Government does not intend that normal trade with South Africa in goods for civilian use should be affected unquote. There is no intention therefore that normal trade promotional activity vis-à-vis South Africa should be discontinued.

4. See answer (3) above.

5. Under the guidelines established by the Government for investment outside of Canada and the U.S.A. by Canadian incorporated companies, other than financial institutions, South Africa is included in a group of countries in respect to which companies are asked to exercise restraint in embarking on new investment undertakings which involve capital transfers or other forms of financing from Canada or the United States, and to give priori-

ty to investment which will contribute importantly to improvement in Canadian trade and payments. Within the terms of these guidelines Canadian non-financial companies are free to invest in South Africa on the basis of normal commercial considerations.

6. The Government of Canada is not participating in the building or equipping of the Cabora Bassa Dam in Mozambique.

7. Canada supports the U.N. position that South Africa has no legal jurisdiction over Namibia. No approaches have been made to the Government requesting financial assistance for potential investments in Namibia.

8. In the past, the Canadian Government has made contributions to the United Nations Education and Training Programme for Southern Africa and to the United Nations Trust Fund. The Government has also provided scholarships for study in Canada for a number of students from Namibia, and has supported the Commonwealth program to provide education for refugees from Rhodesia. Continued support to efforts to provide educational facilities for refugees from southern Africa is planned. The Government has no plans to provide assistance to the various African liberation movements or to the Organization of African Unity.

9. The Secretary of State for External Affairs announced in the House on November 2nd the Government's decision to terminate the sale of spare and replacement parts for piston and jet engines for use by military or paramilitary organizations in South Africa. The Canadian Government has not permitted the export to Portugal or the territories under Portuguese administration, of any aircraft, aircraft engines, and parts, etc., which in the Canadian Government's judgment would be used for military purposes in the Portuguese overseas territories.

CANADIAN WHEAT BOARD

Question No. 451—**Mr. Korchinski:**

1. In the years 1967, 1968, 1969, how many clerks and other staff were employed by the Wheat Board for the purpose of issuing permit books?

2. In the present crop year, how many clerks and other staff were employed for the purpose of issuing permit books?

3. How much was charged to the Lift program for the additional cost of issuing permit books?

4. From 1967, to the present, how many permit books have been issued?

5. What was the total cultivated acreage in each year to the present since 1967?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. 1967, 80; 1968, 90; 1969, 82. These figures indicate the maximum staff employed during the peak period for issuance of permit books, approximately June-September of each year. In other months of the year the number is about 30 per month.

2. For 1970 the number of personnel employed during the peak period as follows: June, 80; July, 150; August, 144; September, 79.

3. Nil as at November 24th, 1970.

4. 1967, 192,057; 1968, 190,606; 1969, 190,004; 1970, 181,-778 (as at November 24th, 1970).

5. 1967, 80,053,225; 1968, 87,699,796; 1969, 89,346,321; 1970, 87,923,710.

DEPARTMENT OF JUSTICE—MAN-HOURS SAVED AS A RESULT OF USE OF COMPUTERS

Question No. 607—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Justice during each year since computers have been used?

Hon. John N. Turner (Minister of Justice): 1968, 13,000; 1969, 26,000; 1970, 26,000.

DEPARTMENT OF JUSTICE—CHANGES IN PERSONNEL AS A RESULT OF USE OF COMPUTERS

Question No. 608—**Mr. Robinson:**

As a result of the use of computers by the Department of Justice, how many employees have been (a) laid off (b) hired?

Hon. John N. Turner (Minister of Justice): (a) None; (b) six.

TELESAT CANADA—COMMON CARRIERS

Question No. 713—**Mr. Robinson:**

1. (a) What are the names of the government approved telecommunications common carriers involved in Telesat Canada (b) where is each located (c) who are the directors of each company (d) how many shares are held by individuals, directors and/or officers of each company?

2. Of the 2,000,000 common shares in Telesat Canada Corporation, what proportion of shares will be open to the public and will the public be allowed to purchase such at the preferred rate of issue to the companies of $10.00 per share?

3. What are the conditions, if any, attached to the common shares without nominal or par value?

Hon. Eric W. Kierans (Minister of Communications): 1. By way of a general remark, it should be noted that Telesat Canada is a private commercial firm in which the Government is a shareholder; it is not a Crown corporation. Consequently, some of the information here is supplied voluntarily by the management of the corporation. Other items, it will be noted, come from the Act of Parliament which created the corporation. Here is the information requested:

(a), (b) The approved telecommunications common carriers involved in the corporation are those listed in Annex A of the Telesat Canada Act: Alberta Government Telephone, Edmonton, Alberta, Bell Canada, Montreal, Quebec, British Columbia Telephone Company, Vancouver 2, British Columbia, Canadian National Railways Company, Montreal, Quebec, Canadian Pacific Railway Company, Montreal, Quebec, The Island Telephone Co. Ltd., Halifax, Nova Scotia, Maritime Telegraph and Telephone Co. Ltd.; Manitoba Telephone System, Winnipeg 10, Manitoba, New Brunswick Telephone Co. Ltd., Saint John, New Brunswick; The Newfoundland Telephone Company, (formerly the Avalon) St. John's, Newfound-

land; Ontario Northland Transpotration Commission, North Bay, Ontario, Quebec-Telephone, Rimouski, Quebec, Saskatchewan Telecommunications, Regina, Saskatchewan. (c) Up-to-date list of directors available from organizations listed above. (d) None. The shares are held in the names of the telecommunication common carriers.

2. No. None of the two million shares subscribed for by the approved telecommunications carriers and the Government of Canada on December 17, 1970, was available to the public. This issue represented the first one third of the total allotment of shares to the Government and the approved telecommunications common carriers. (a) The president of Telesat informs me that the board of directors intends to recommend issuing shares representing approximately one-third equity in the corporation. These are to be offered to the public. No decision as to the timing of this offering has yet been made and the whole question is under constant review with the corporation's financial advisers. Approval by the Governor-in-Council will be required for such an issue. (b) The value of the shares offered to the public will be set in the normal manner at the time of offering.

3. The conditions pertaining to the ownership of common shares in Telesat Canada are set out in the Telesat Canada Act, of 1969.

TELESAT CANADA—DEVELOPMENT OF LAND STATIONS

Question No. 768—**Mr. Blouin:**

During the first stage of the development of land facilities for the domestic communications system through Telesat Canada, does the government plan to build 35 land stations and, if so (a) where will they be located (b) how much will each cost (c) when are operations expected to begin?

Hon. Eric W. Kierans (Minister of Communications): The government does not plan to build any part of the domestic satellite communications system to be owned and operated by Telesat Canada, which is a private commercial corporation and not a Crown corporation. Such decisions are the prerogative of the management of the corporation. For this reason I would urge Members to address such questions, in the future, to the corporation. The president will be glad to provide the information. In this instance Telesat Canada has informed me that it has invited proposals for the construction of an initial baseline system of 35 earth stations. Ten companies have responded to this request and their proposals are currently being evaluated by Telesat Canada. (a) The baseline system currently calls for two Heavy Route (HR) stations at Allan Park, north of Toronto, and Lake Cowichan, north of Victoria, (B.C.); one Telemetry, Tracking and Command (TT&C) station, at Allan Park; six Network Television stations (NTV) near Edmonton, Regina, Winnipeg, Montreal, Halifax and St. John's, Newfoundland; two Northern Telecommunications stations (NTS) at Frobisher and Resolute, and 25 Remote Television stations at 25 Northern communities. The number and location of the stations in this baseline system were developed in conjunction with the corporation's present customers. This baseline will be reviewed as customers' requirements are finalized and is subject to change. (b) Telesat is currently evaluating the proposals submitted by the competing potential contractors, and is not at this time prepared to make public the anticipated costs of the initial earth station complex. (c) Assuming a successful launch of the first satellite late in 1972, commercial operations are expected to begin early in 1973.

CRIMINAL CODE—BREATHALIZER AMENDMENTS

Question No. 787—**Mr. Robinson:**

With regard to the Criminal Code amendments concerning the breathalizer, will the government advise if an approved container has been developed and, if not (a) is research continuing for such a container (b) will the government consider the advisability of removing Section 223 of the Criminal Code until such time as a satisfactory container is developed?

Hon. John N. Turner (Minister of Justice): (a) Research on the development of such a container is being carried out by the National Research Council at the request of the Minister of Justice. (b) No useful purpose would be served by introducing legislation for the purpose of removing section 223 from the Criminal Code until a satisfactory container is developed. Section 223 is essential to the practical operation of the provisions of the Criminal Code relating to drinking and driving.

UNEMPLOYMENT INSURANCE—NUMBER OF CLAIMANTS

Question No. 864—**Mr. MacRae:**

How many Canadian citizens were drawing unemployment insurance on January 29, 1971 and approximately how many of those people are now employed?

Hon. Bryce Mackasey (Minister of Labour): Statistics on the number of Canadian citizens drawing unemployment insurance benefit at the end of January 1971 will be published by DBS in their "Statistical Report on the Operation of the Unemployment Insurance Act" near the end of March.

POST OFFICE—CHRISTMAS STAMPS, 1970

Question No. 888—**Mr. Hales:**

1. How many Christmas stamps were printed in 1970 in (a) 5-cent denominations (b) 6-cent denominations?

2. How many of each denomination have been sold?

3. What will be the disposition of the remainder of the stamps?

4. What was the total cost of production of the 1970 Christmas stamps?

Hon. Jean-Pierre Côté (Minister without Portfolio): 1. (a) 232,800,000; (b) 141,900,000.

2. Exact quantities cannot be provided without a costly survey of all Post Offices. However, it is estimated that the following percentages were sold prior to January 1, 1971: 5 cents, 91 per cent; 6 cents, 99 per cent.

3. Broken lots are to be sold until depleted. Any remaining surplus stocks are to be introduced for sale prior to Christmas 1971.

4. $161,500 including the 10 cent and 15 cent Christmas stamps.

BIRD SANCTUARIES

Question No. 897—**Mr. Robinson:**

How many bird sanctuaries are there in Canada (a) where is each located (b) what is the size of each (c) what species of birds are protected in each (d) how much is the cost to the federal government to maintain each sanctuary?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): (a) and (b) There are 96 areas which have been declared bird sanctuaries under the Migratory Birds Sanctuary Regulations. A list of these can be found in the Migratory Birds Sanctuary Regulations which also show the location and area of each sanctuary. Copies of these regulations can be obtained from the Canadian Wildlife Service. (c) Several species of birds are protected in each sanctuary depending on location. In general, ducks, geese, swans and shore birds are protected in the sanctuaries in the Northwest Territories. Colony nesting sea birds such as gannets, puffins, murres and auks are protected in sanctuaries in coastal areas. (d) With the exception of the sanctuaries in the Northwest Territories which are Crown-owned most of the sanctuaries are privately-owned. It does not cost the federal government anything to maintain each sanctuary.

PUBLIC WORKS—BUILD LEASE POST OFFICES

Question No. 902—**Mr. Peddle:**

1. Who is the owner of the new building presently under construction at Happy Valley, Labrador for use by the Post Office Department?

2. Who is the owner of the new building presently under construction at Goose Bay for use by the Post Office Department?

3. How long is the lease period and what yearly rental is payable in each case?

Hon. Arthur Laing (Minister of Public Works): 1. The owner is Loc Ranco Ltd. who was the lowest tenderer on the build-lease contract for a Post Office building at Happy Valley, Labrador.

2. The owner is Loc Ranco Ltd. who was the lowest tenderer on the build-lease contract for a Post Office building at Goose Bay, Labrador.

3. Happy Valley, 10 years at $16,224 per annum. Goose Bay, 10 years at $19,698 per annum.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 914—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Consumer and Corporate Affairs is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): (a) Nil; (b) 51 per cent; (c) nil; (d) nil; (e) 49 per cent (grant to ACEF); (f) nil.

PRIVY COUNCIL—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 946—**Mr. Robinson:**

What percentage of the supplementary estimates of the Privy Council Office is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): (a) Nil; (b) nil; (c) 10.3 per cent; (d) nil; (e) 69.0 per cent; (f) 20.7 per cent.

DEPARTMENT OF COMMUNICATIONS—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 949—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Communications is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Hon. Eric W. Kierans (Minister of Communications): The Department of Communications did not submit supplementary estimates for 1970-71.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 968—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Indian Affairs and Northern Development is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) nil; (b) 25 per cent; (c) 64 per cent; (d) nil; (e) 11 per cent; (f) nil.

CANADIAN PENSION COMMISSION—APPOINTMENT OF DR. LOUIS TOUCHETTE

Question No. 975—**Mr. MacRae:**

What is the war service of Dr. Louis Touchette, who was appointed to the Canadian Pension Commission on February 10, 1971?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Dr. Touchette, a former medical officer at Ste. Foy Veterans Hospital, did not serve in the armed forces of Canada.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—COMPUTER SERVICES

Question No. 996—**Mr. Robinson:**

What income, if any, is derived from the computer services provided by the Department of Indian Affairs and Northern

Inquiries of the Ministry

Development (a) from other departments (b) from sale or services to industry (c) to provincial government departments (d) to municipalities?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) nil; (b) nil; (c) nil; (d) nil.

* * *

QUESTION PASSED AS ORDER FOR RETURN

FOOD SERVICE OUTLETS IN PUBLIC SERVICE

Question No. 518—**Mr. Reid:**

1. How many food service outlets are in operation in government-owned and/or occupied buildings in the National Capital area?

2. What were total sales in these outlets in 1969?

3. What is government policy respecting the operation of such outlets?

4. Does the policy apply to all government departments, including, for example, the Department of National Defence, the Department of Transport, the Department of Energy, Mines and Resources and the Department of National Health and Welfare?

5. When calling for tenders of food services, do the specifications cover the cost of equipment, utilities, and maintenance?

6. Is the successful bidder obliged to operate according to a pricing policy laid down by the government?

7. Does the government provide inspection services to ensure proper handling of food and care of equipment?

Return tabled.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

USE OF VOLUNTARY RESTRAINTS TO COMBAT INFLATION DISCUSSION WITH CANADIAN LABOUR CONGRESS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance in connection with the presentation this morning by the Canadian Labour Congress and the discussion which must have been very wide-ranging. In view of the contents of the brief of the CLC, did the government discuss with the representatives of the Candian Labour Congress the possibility of a program of voluntary restraints in the future as part of an anti-inflationary program and, if so, under what conditions the CLC would be prepared to consider or discuss such a program of voluntary restraints?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I merely raised the question that we may have another cycle, and undoubtedly will, in the future where inflation becomes a serious problem, and I said the government would be interested in having their views with regard to policies to be adopted by government, business and labour in such conditions.

[Mr. Robinson.]

Mr. Stanfield: I take it that the minister did not press the subject this morning. I should like to ask the minister whether he intends to pursue the matter of achieving a voluntary incomes or voluntary restraints policy in view of the experience in other countries that this sometimes can be achieved when inflationary pressures are not severe whereas it may fail when inflationary pressures are severe. Does the minister intend to pursue this or can we assume that it is a dead issue?

Mr. Benson: Mr. Speaker, I would expect the Canadian Labour Congress would pay the same attention to our request to them as we would to their submission to us.

Mr. Stanfield: I should like to ask the minister, now that the policy of the government is to expand the economy, whether he now intends to mount defences against inflation, or is it the intention of the government to rely upon compulsory controls in the event of new inflationary pressures in the future, or does the government intend to rely once more on the policy it used last year of deliberately creating unemployment in order to eliminate inflation?

Mr. Benson: Mr. Speaker, the government did not follow a policy of deliberately creating unemployment last year.

Some hon. Members: Oh, oh!

Mr. Hees: The Prime Minister said it did. Six per cent is what he said would be acceptable.

Mr. Speaker: Order, please.

* * *

POLLUTION

CONTAMINATION OF WEST COAST OF VANCOUVER ISLAND BY OIL

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question on a matter of emergency which is causing widespread concern on the Pacific coast. Normally I would address it to the Minister of Transport but in his absence perhaps I might direct it to the Prime Minister. I may say I was in touch with the office of the Minister of Transport on Friday after news of this event reached Ottawa. Can the Prime Minister report to the House on the nature and extent of the mass of heavy oil moving onto the shore of Vancouver Island's west coast in the vicinity of our new national park, and can he advise what steps are being taken by the Department of Transport or by any other agency to effect a clean-up?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sorry I have no report on this. I will direct the attention of the Minister of Transport to the situation.

[*Translation*]

CRIMINAL CODE

RE-ESTABLISHMENT OF CAPITAL PUNISHMENT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister of Justice concerning abolition of capital punishment.

As is well-known, the suspension of capital punishment is to expire during the course of 1972, and Parliament will have to decide whether the suspension is to be extended or whether capital punishment is to be re-introduced. Does the Minister of Justice intend to consider the re-introduction of capital punishment in 1972?

Mr. Speaker: The hon. member is asking a question concerning 1972. There are still ten months to go before we are in 1972.

I am under the impression that the question has already been put. If the hon. member could rephrase his question, I would gladly allow the minister to reply.

* * *

[*English*]

GRAIN

INITIAL PRICES FOR 1971-72 CROP YEAR—TAKING UP OF POSSIBLE POOL LOSSES BY GOVERNMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It has to do with the statement he made this afternoon concerning grain prices. In view of the possibility of international competition of a fire-sale nature in wheat and possibly other grain products, if the intial prices that have been set out by him result in a loss in the pools will the government of Canada take up that loss or is it the plan to pass it on to the farmer in the ensuing year?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, while I should like to say again that we do not share the gloom and doom of the right hon. gentleman, I would add that the whole question of the initial payments in the pools is one which is part of our other proposals, to which hon. members have referred, on which discussions are coming to a conclusion and upon which I hope to be able to make a statement to the House or present the necessary legislation before long.

Mr. Diefenbaker: So far as gloom is concerned, it is all over western Canada because of the failure of the minister to act.

Mr. Speaker: Order, please. Would the right hon. gentleman kindly ask the supplementary question.

Mr. Diefenbaker: Mr. Speaker, ministers should not have the right to make these gratuitous statements and then the opposition be denied the right to reply.

Inquiries of the Ministry

Mr. Speaker: Order, please. The right hon. gentleman has the floor for the purpose of asking a supplementary question. I invite him to ask the question.

Mr. Diefenbaker: I now ask the minister whether or not it is the intention of the government to pass on any losses that take place in the pools to the farmers in the ensuing year. Is he prepared to answer that or must we stay in gloom throughout western Canada?

Mr. Lang: I think I answered that exact question earlier by saying that it was a part of our proposals which deal with the question of losses on any pools, and that this has been a matter which has been undergoing discussion and upon which we will make a further statement in due course.

Mr. Diefenbaker: So the farmers will be taken in again.

WHEAT—INITIAL PRICE FOR 1971-72 CROP YEAR AND INTERNATIONAL COMPETITION—PROPOSED STABILIZATION PROGRAM

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask the minister whether the decrease in the initial price of wheat announced a few minutes ago indicates the government's assessment of the competition and the price cutting they are going to meet in the international market?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the hon. member no doubt refers to the initial price proposed from August 1, for wheat. He will have noted that the $1.46 proposed is exactly the same price as the initial price for the No. 2 grade at present, and the No. 2 grade as it is now known will constitute the greatest quantity of wheat in the ordinary course entering into the stream under the new grade of No. 1 Canada western. It is true, of course, that the Wheat Board will be in a position with the new grading system to sell wheat on the basis of some protein differentiations. This is the tremendous advantage from the new grades, but it is not yet possible at this time to distinguish between the protein gradings at the producers' level, and it is for this reason—

Mr. Speaker: Order, please.

Mr. Gleave: I take it that the minister does not really choose to answer the question I asked.

Mr. Speaker: Would the hon. member kindly ask his supplementary question.

Mr. Gleave: All right, Mr. Speaker. May I ask the minister whether the announcement today on initial prices for the coming year and the announcement a few days ago of the new quota provision indicate that the minister has not been able to obtain agreement on the proposed stabilization program and that all or part of it has been or is about to be abandoned?

Mr. Lang: It certainly does not indicate either of those things. What we are doing is moving forward with various parts of the proposals which we made initially, and

particularly with those parts which we had hoped to have in place by March 1. Further statements, proposals and legislation in regard to the stabilization plan will be forthcoming before long.

INITIAL PRICES FOR 1971-72 CROP YEAR—INDICATION OF QUOTAS PRIOR TO SEEDING

Mr. S. J. Korchinski (Mackenzie): May I ask the minister whether he has any intention of indicating what the number of bushels per specified acre might be prior to the commencement of seeding of each particular grain?

Hon. Otto E. Lang (Minister of Manpower and Immigration): In the newsletter which is being mailed beginning today to all the permitholders within the region we have indicated the amounts of the various grains which we expect to be taken in on a minimum basis from producers during the course of the next year, and accordingly certain minimum figure calculations for the quota which will be available on these various grains in the crop year 1971-72.

Mr. Korchinski: We have had similar situations in other years when all the amounts indicated have not been taken in. Would this be cumulative for another year in order that the quotas delivered may be levelled off?

Mr. Lang: Not only is that question hypothetical but I do not expect—

Mr. Speaker: Order, please.

LACK OF INTERNATIONAL PRICE AGREEMENT—SUGGESTED BILATERAL ARRANGEMENT WITH UNITED STATES

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): This is a related question to the minister responsible for the Canadian Wheat Board. Since no floor or ceiling prices were established at the recent IGA conference held at Geneva and in view of the serious position in which this places the Canadian grain industry, would the minister, in company with one or two other cabinet ministers, arrange a meeting with their United States counterparts at the earliest date possible with a view to arriving at some form of bilateral agreement not to commence a price war on grain, a matter of very grave concern to Canadian grain farmers generally at the present time?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am not sure that that particular form of meeting would be desirable at present. Of course we are attempting to maintain the maximum amount of co-operation in regard to orderly pricing in the world, and I may say that some of our producer organizations, in order to pursue the same objective, have some contract with producer organizations in other countries, and that may indeed be a fruitful technique.

WHEAT—REASSIGNMENT OF QUOTA ACREAGES IF CONDITIONS WARRANT

Mr. A. B. Douglas (Assiniboia): My question is for the minister in charge of the Wheat Board. With regard to the new quota system announced by the Canadian Wheat Board last week, can the minister assure the House and the farmers that provision will be made for reassignment of quota acreages if conditions on individual farms warrant such changes? May I add that I was pleased at the earlier response to me—

Mr. Speaker: Order, please. The hon. member cannot add that he is pleased.

Hon. Otto E. Lang (Minister of Manpower and Immigration): I understand it is the hope of the Canadian Wheat Board to take a look at specific cases where some supervening difficulty arises with the original assignment in order to cope with special cases.

Mr. Speaker: Order, please. A number of hon. members are seeking to ask supplementary questions. We will have to go on to another subject in a moment. The Chair will recognize the hon. member for Moose Jaw followed by the hon. member for Athabasca and then try to return to the hon. member for Regina East in a moment.

REQUEST FOR INFORMATION ON PLANS TO CONSOLIDATE FARM UNITS PRIOR TO INTRODUCTION OF STABILIZATION PROPOSALS

Mr. John L. Skoberg (Moose Jaw): My question is for the Minister of Manpower and Immigration. In view of the minister's concern that farmers have the most precise information possible in deciding what they should seed, will the minister now provide information to producers as to what the plans are in so far as the consolidation of farm units to a more efficient size is concerned before he brings in his stabilization plan?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The question with regard to appropriate procedures for assisting farmers in particularly difficult situations will require a lot of discussion with the provinces and producers before the plan can go forward. From the point of view of the individual producers, one thing they can be assured of is that it will basically depend on their choice as to what particular form of assistance they want, and there will be no imposition upon them from the government.

WHEAT—INITIATIVES TO REACH INTERNATIONAL AGREEMENT ON PRICES

Mr. Paul Yewchuk (Athabasca): My question is for the minister responsible for the Wheat Board. Will the minister, by way of a statement on motions, indicate what new initiatives Canada is taking in an attempt to reach an agreement on international wheat prices to ensure that a price war does not follow the present failure to reach an agreement?

Mr. Speaker: I suggest to the hon. member and to the minister that this kind of information should not be given at this time. The minister might want to indicate whether or not he proposes to make a statement on motions.

[*Translation*]

UNEMPLOYMENT INSURANCE

MONTREAL—REPAIR OF ALLEGEDLY DEFECTIVE COMPUTER

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Labour.

Whereas some unemployed workers who have been entitled to withdraw unemployment insurance benefit for the past two months have not been paid this benefit and whereas the Commission's staff in Quebec City and Trois-Rivières are doing a great job, is the hon. minister thinking about having the Montreal computer repaired since it appears to be responsible for all the errors that occur?

* * *

[*English*]

IMMIGRATION

ADVICE TO APPLICANTS THAT HIRING OF PRIVATE CONSULTANTS NOT NECESSARY

Mr. Norman A. Cafik (Ontario): I have a question for the Minister of Manpower and Immigration. Is it the intention of the department to take steps to inform prospective Canadian immigrants who are temporarily resident in Canada that they have no need to employ or pay private immigration consultants to assist them in making an application to the department, and to make it clear that such services are available free of charge from the department and, I dare say, also from Members of Parliament.

Mr. Speaker: Order, please. The hon. member cannot dare say anything.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the department does attempt to make it clear to immigrants that advice is available from the department and also from Members of Parliament. I will look at the question of whether this is adequate in view of all the current circumstances to see if I can give the hon. member an assurance of further steps on our part.

* * *

NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on Thursday I asked the Minister of Justice a question of which his parliamentary secretary took notice, and I also gave verbal notice today. Have he or his officials been asked to consider any ways and means of reducing or limiting the liability of the province of Quebec for payment for the services of the armed forces which were sent in and stationed there during the crisis last fall, in spite of the clear and strict provision of the National

Defence Act which applies, as indicated by the Minister of National Defence last Thursday?

Hon. John. N. Turner (Minister of Justice): Mr. Speaker, I am sure the hon. member knows that I will do my best to ensure that the legal interests of the government of Canada are upheld. The Chair has always taken the position that there is a privilege in this House for legal advice given by the office of the Attorney General to the Crown and, although I stand to be corrected, I believe that privilege not only goes to the substance of the legal advice but also to the legal advice sought.

Mr. Speaker: Order, please. I think the minister is wrong. This may be a reason for the government to refuse information, but that has nothing to do with procedure.

Mr. Baldwin: Mr. Speaker, on the point of order raised by the minister, I would not dream of asking him for legal advice.

Some hon. Members: Oh, oh!

Mr. Baldwin: I merely want to know if he or his officials are considering this issue.

* * *

INCOME TAX

INQUIRY AS TO METHOD OF PRESENTING AMENDMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Minister of Finance. I wonder if he could confirm to the House that he intends to introduce the tax changes the government has in mind by way of an amending bill? If so, does he intend to proceed under Rule 61, or does he intend to present a budget first to explain the changes?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I do not know yet.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—ACCEPTABLE NATIONAL AVERAGE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. Was the Prime Minister stating a matter of government policy this morning in the session with the Canadian Labour Congress when he rejected 3 per cent unemployment as a national average as too low a level at which to aim?

Right Hon. P. E. Trudeau (Prime Minister): Well, hardly government policy, Mr. Speaker. It would be desirable if there were no unemployment at all in Canada. When we talk of 3 per cent, and I believe the CLC talked about considerably less—they said 1 per cent or 1.5 per cent—these are goals, but I imagine they too would rather see zero unemployment than 1.2 per cent

unemployment. I do not think it is their policy to hope for 1.5 per cent unemployment. In discussing this matter we were simply trying to point out the difficulties of having an average across Canada say of 3 per cent, which would mean very high inflationary pressure in some areas of Canada which might have something less than 1 per cent or 1.5 per cent unemployment.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Can we gather from his answer that the government is prepared to tolerate or define full employment in the Atlantic provinces and in Quebec as 5 per cent or 6 per cent unemployment?

Mr. Trudeau: One would have to be very misguided to gather that, Mr. Speaker.

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UNEMPLOYMENT INSURANCE

NUMBER OF PERSONS WHOSE BENEFITS HAVE EXPIRED—NUMBER ALSO RECEIVING WELFARE PAYMENTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of Labour. A week or two ago I asked him a couple of questions with respect to the number of people whose unemployment insurance had run out, and also the number of people who were collecting unemployment insurance and welfare simultaneously. Has he those replies today?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I mentioned at the time that these were very statistical matters. We are gathering the statistics and as soon as they are available they will be tabled.

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REGIONAL ECONOMIC EXPANSION

INCENTIVE GRANTS—SAFEGUARDING OF GOVERNMENT INVESTMENT—POSSIBILITY OF LATER ABANDONMENT OF VENTURES

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In view of the millions of dollars that are being directed toward the establishment of new or expanded industry in specific areas of Canada, can the minister indicate today if there are restrictions imposed to safeguard the government's financial involvement, and if many of these new ventures will not be abandoned directly after the government's financial concessions no longer apply?

Mr. Speaker: Order. It seems to me that the hon. member's question is of very wide scope. I wonder if it can be asked or whether the Chair should allow the minister to reply to a question which is so general in its terms. If the hon. member were to make it more specific it would be easier for the Chair to allow the question to be asked.

Mr. Danforth: Mr. Speaker, in view of the expressed interest in this matter perhaps in rephrasing my question I might ask the minister whether at an early date he would attempt to make a statement on motions outlining the government's position in screening companies that have expressed an interest in taking advantage of these grants, and indicating the safeguards that the government proposes in order to assure that the investment will be of a somewhat permanent nature?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will try to find an opportunity to answer this question properly.

* * *

MANPOWER

PLANS FOR PROVISION OF SUMMER EMPLOYMENT FOR STUDENTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Prime Minister. It relates to a question I have asked the right hon. gentleman in the past, and also relates to remarks reportedly made by the Minister of Manpower and Immigration last weekend. Is the Prime Minister now in a position to announce what plans the government has for student employment during the summer months? I draw his attention to the fact that in six weeks time students will be on the labour market, and I ask the question particularly in view of the remarks reportedly made by the Minister of Manpower in the west last weekend—

Mr. Speaker: Order, please. The hon. member has asked the question. He has invited the Prime Minister or someone on behalf of the government to make a statement of a general nature. Someone on behalf of the government might indicate whether such a statement is going to be made at the time such statements can be made.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we do plan to make such a statement. I hope it will be fairly soon. But the House will realize that much of this action will at least partly involve provincial action, and it is necessary in some instances to get the response of the provinces to some of the programs we propose before actually announcing them.

Mr. Nesbitt: In view of the remarks reportedly made by the Minister of Manpower that only resourceful students would be able to get employment during the summer, is the government planning a more extensive program than has been indicated by the minister?

[*Translation*]

YOUTH

ALLOTMENT OF MONEY TO CONFERENCE SPONSORED BY COUNCIL OF SOCIAL DEVELOPMENT

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State.

Has the government appropriated any money for the conference on the Transient Youth Service sponsored by the Canadian Council of Social Development, and will delegates be sent to this conference, which is scheduled to be held two weeks from now?

Hon. Gérard Pelletier (Secretary of State): I am not aware that any grant whatsoever has been allotted to this conference, Mr. Speaker. And I do not know either whether government representatives will be invited.

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[*English*]

HEALTH

BIRTH CONTROL—REQUEST FOR STATEMENT ON PROGRAM TO PREVENT UNWANTED PREGNANCIES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the Canadian Unitarian finding that of 41 hospitals surveyed across Canada only two have family planning clinics, will the minister make an early statement on the progress of his program to prevent unwanted pregnancies by birth control measures, as recommended by the report of the Royal Commission on the Status of Women?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, I will be pleased to consider making such a statement.

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ADMINISTRATION OF JUSTICE

AMENDMENT OF CRIMINAL CODE TO DEAL WITH AIR PIRACY—EXTRADITION TREATY—GROUNDS FOR HOLDING HIJACKER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Justice. It concerns a subject with which we dealt on Friday. In view of the international increase in the crime of hijacking commercial passenger aircraft, and in view of the Vancouver incident, is it the minister's idea to bring in an amendment to the Criminal Code to deal with the crime of air piracy?

Hon. John N. Turner (Minister of Justice): I think that would be a very useful idea, Mr. Speaker.

Mr. Woolliams: Would the minister consider discussing with the United States authorities whether the extradition agreement between Canada and the United States covers this situation, and would he indicate whether the American now held in custody in Vancouver is being held for the crime of air piracy or for breaking the regulations of the Immigration Act?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I suppose that in the current circumstances that remains to be tested by any application that is made under the extradition treaty between the United States and Canada but, as the hon. member knows, there have been recent discussions internationally to the effect of attempting to incorporate air piracy, or unlawful interference with an aircraft in flight, within international treaties on extradition.

Mr. Woolliams: Would the minister advise the House under what law or on what grounds this particular American is held in custody in Vancouver? Is it a charge under the Criminal Code, or a charge under the regulations in reference to immigration?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is my understanding that what is technically called a "further examination" under the Immigration Act is now being conducted.

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LABOUR RELATIONS

DISMISSAL OF SENIOR UNION EXECUTIVES BY NORANDA

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Labour of which I have given him notice. Has the minister looked into the report of the summary dismissal of three senior executives of Local 2309 of the International Association of Machinists and Aerospace Workers at the Noranda company, Montreal, on February 3 as a result of a labour dispute between the company and the union?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I appreciate the hon. gentleman's courtesy in giving me advance notice of the question. I have been informed that the collective agreement provides for a grievance procedure and possibly the problem will be settled at the arbitration stage.

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EXTERNAL AFFAIRS

REPRESENTATIONS TO UNITED STATES ON WITHDRAWAL OF TROOPS FROM INDO-CHINA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the continued escalation of what the Secretary General of the United Nations has described as the most monstrous war in history, has the government recently made any representations to the United States government as to the desirability, in the interests of the whole world, of a withdrawal of United States troops from Indo-China?

Inquiries of the Ministry

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on each occasion that I have met with the Secretary of State of the United States he has discussed with me the program of the United States for the withdrawal of troops from Viet Nam, and I have been wholeheartedly in favour.

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[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to ask a question of the Minister of Justice respecting the application of the War Measures Act when there was an apprehended insurrection in Quebec.

A Belgian lawyer, Mrs. Nicole Dreyfus, commissioned by the International Association of Democratic Lawyers, recently made a report to the organization in which she is accusing the Quebec and the federal governments.

Could the minister tell the House whether this organization is recognized as a *bona fide* and worthy international organization?

Mr. Speaker: I do not think that the question is in order under its present form. However, if the minister feels that he can answer the question of the hon. member for Shefford, he is free to do so.

* * *

[*English*]

HEALTH

INQUIRY AS TO INTRODUCTION OF LEGISLATION RESPECTING CIGARETTES

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Since leading medical experts throughout the world continue to emphasize the health hazards of cigarette smoking, and as it is almost two years since a committee report suggested legislation with regard to this matter, to which priority was given in the last Speech from the Throne, when will the government bring forward the legislation suggested in the report of the committee which made such a thorough study of this whole question?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, we hope to do so shortly. It is also our hope that we shall have the co-operation of the opposition parties in dealing with the matter with speed and facility.

Mr. Howe: Since recent surveys continue to indicate a great variation in the amount of deleterious material in different brands of cigarettes, will the legislation contain powers to regulate the quantities of tar and nicotine allowed in all cigarettes?

[Mr. Brewin.]

Mr. Speaker: Order, please. I suggest that the hon. member's statement is in the form of a representation for consideration by the government.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, while this matter is under consideration, would the Minister of National Health and Welfare discuss with his colleague, in this case the Minister of Transport, I presume, the question of the necessity of Air Canada regulations which require people to smoke cigarettes, if they are to smoke at all?

Some hon. Members: Hear, hear!

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YOUTH

SUGGESTED EMPLOYMENT TO COMBAT POLLUTION

Mr. Barry Mather (Surrey): Mr. Speaker, may I direct a question to the Secretary of State. Having in mind the high level of unemployment among our young people today and also the high level of pollution across the country, will the minister consider the employment of youth power this summer to combat pollution and reduce unemployment?

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WAR MEASURES ACT

INTRODUCTION ON REQUEST OF PROVINCIAL AND MUNICIPAL GOVERNMENTS—AMENDMENT OF ACT ACCORDINGLY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister. It relates to the appearance of the Canadian Labour Congress before the cabinet and the Prime Minister's reiteration of his position that the proclamation of the War Measures Act related basically to the requests of provincial and municipal governments. In view of this oft-stated position of the Prime Minister, can we expect him or the Minister of Justice to introduce an amendment which will alter the terms under which the present War Measures Act is normally instituted so that this will in effect become the precedent for future use of the Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member wishes to move such an amendment, when we come to discuss the issue I will see whether I will support it.

Mr. MacDonald (Egmont): Mr. Speaker, the Prime Minister prefers to play games with my question rather than answering.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether the Prime Minister would indicate whether this is actually the position of the government. Will this precedent be established in law or simply regarded as an effective precedent for other provincial or municipal gov-

ernments which in future circumstances may wish to make a similar request?

Mr. Trudeau: Mr. Speaker, I was not suggesting any amendment of that kind. It is the hon. member who suggested such an amendment. Therefore I was not playing games with him. I might add—

An hon. Member: Sit down.

* * *

SPORTS

SUMMER GAMES, BRITISH COLUMBIA—INCLUSION OF PADDLING

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister now in a position to indicate whether Canadian paddlers will be included in the summer games this summer?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, may I indicate to the hon. member that owing to his representations and those of others, representations are being made to the Canada Games Committee in New Westminster in this connection, but that I have not heard the result yet.

Mr. Baldwin: How about the creek that the government is up without a paddle?

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CANADA PENSION PLAN

AMENDMENT TO PROVIDE FOR HOUSEWIVES' CONTRIBUTIONS AND BENEFITS

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister considering enlarging the scope of the Canada Pension Plan to enable housewives to continue making contributions toward a full pension?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, the white paper put forward many constructive suggestions for improving the Canada Pension Plan. We are discussing these with the provinces and interested parties, and are prepared to consider the representations of the National Council of Women, as well as representations made by the royal commission. We have not come to any conclusions with respect to them yet.

[*Later:*]

REPRESENTATIONS BY MENNONITES

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question to the Minister of National Health and Welfare is supplementary to that of the hon. member for Waterloo. Since the question of the Canada Pension Plan has been opened up, may I ask if the Mennonites were given the chance to make representations to any bodies with a view to further discussing the Canada Pension Plan, as they have asked so many times?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, the Mennonites have asked many times to make representations and have been given the right to make representations. They have been listened to most carefully. I do not think they agreed with the result, but that is a different matter. It is now open to them, as it is to other groups in our society, to make representations now that the question has been opened up for discussions with the provinces. The government has decided that constructive changes are to be made and has invited groups such as the Mennonites and other interested parties to make representations.

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EXTERNAL AFFAIRS

SUGGESTED ESTABLISHMENT OF DIPLOMATIC MISSIONS IN BARBADOS AND ZAMBIA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In the interest of strengthening our ties with the Commonwealth Caribbean and, as a reciprocal gesture, can the minister indicate if the government plans the early establishment of a Canadian diplomatic mission in Barbados?

Hon. Mitchell Sharp (Secretary of State of External Affairs): Mr. Speaker, the opening of a mission in Barbados is on my list; I hope it is on that of Treasury Board, too.

Mr. McCleave: I will drink to that.

Some hon. Members: Oh, oh!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, when the minister settles down, I will ask him a supplementary question. During the minister's tour, will he be announcing the date for the opening of a mission in Zambia in view of the strategic location of that country in Southern Africa?

Mr. Sharp: Mr. Speaker, I thank the hon. member for supporting another of my applications.

Mr. Fairweather: We shall see how well the minister does.

* * *

BILINGUALISM

ARMED FORCES POLICY—ASSISTANCE TO HALIFAX AND DARTMOUTH RESPECTING EDUCATIONAL COSTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have a question for the Secretary of State. It arises out of the language policy announced by the Minister of National Defence on Friday. Is his department prepared to assist municipalities such as Halifax and Dartmouth,

which may have to bear additional education costs placed on them by this new policy?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I do not quite see what additional expenses the hon. member refers to, but I know that in bilingualism matters all the money paid to municipalities, as well as to school boards, is channelled through the provincial education departments.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

LAPSING OF SEASONAL BENEFITS IN MAY—REQUEST FOR EXTENSION

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Labour. In view of the time delay factor with regard to any programs that the minister may have to cope with unemployment, and since many workers will no longer be able to draw unemployment insurance benefits as of May 15, and may have to go on welfare, is the minister considering extending beyond May 15 the provision of seasonal benefits?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the only tangible thing that I can announce is that we are bringing our new legislation before the House very soon.

* * *

HEALTH

CYCLAMATES—COMPENSATION TO FOOD PROCESSORS FOR LOSSES CAUSED BY BAN

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is part of a series dealing with cyclamates and is prompted by questions by the hon. member for Simcoe North over the past few weeks. The banning of cyclamates in diet foods last April has caused severe financial hardship for some of the processors. Since other additives may be banned at any time on the ground they are dangerous or adulterative, is the government giving consideration to compensation for such losses to processors who previous to last April acted in accordance with the food and drug regulations?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the government has given consideration to representations of this kind. However, upon analysis one can see the tremendous cost that might be involved in such a program. It is a virtual impossibility to undertake such a program. The firms involved should be aware that if new technology shows something is harmful that is a risk they have to incur.

Mr. Speaker: Order, please. We are running short of time. The Chair should recognize the hon. member for Matane.

[Mr. McCleave.]

[*Later:*]

Mr. Rose: I have a supplementary question for the Minister of National Health and Welfare. Since the current food and drug regulations continue to allow cyclamate sweeteners to be sold over the counter with inadequate content labelling and without warning but ban the identical substance from being incorporated in food, has the minister any plans to end this discrimination or else ban cyclamate completely from public sale?

Mr. Munro: Without at all agreeing with the conclusions to which the hon. member has referred, a few days ago I indicated I will be making a statement on this matter. I shall do so.

* * *

[*Translation*]

BILINGUALISM

REQUEST THAT BILINGUAL PLAQUES BE INSTALLED ON FEDERAL BUILDINGS

Mr. Pierre De Bané (Matane): Mr. Speaker, I have a question for the Prime Minister.

I would like to tell him that during the cross-country trip of the Parliamentary Committee on the Constitution, it was noticed that at many airports—

Mr. Speaker: Order, please. The hon. member can ask a question. He cannot make a statement to the House, nor to the Prime Minister.

Mr. De Bané: Mr. Speaker, I would like to ask the Prime Minister if he could issue instructions to his colleagues of the various departments to put up bilingual plates on the federal buildings across the country—

Mr. Speaker: The hon. member is asking a question of the Prime Minister in the form of a suggestion. He must assume that it will be taken into consideration.

* * *

[*English*]

THE CANADIAN ECONOMY

CANADIAN LABOUR CONGRESS BRIEF TO CABINET—ADDITIONAL MEASURES TO STIMULATE EMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): My question is for the Minister of Finance. Following the presentation of the Canadian Labour Congress this morning, does the minister propose to recommend to the government any additional measures to stimulate employment and the economy? I ask this question in view of the charge made by the CLC that, on the basis of present policies, unemployment may continue for years.

Hon. E. J. Benson (Minister of Finance): If there are any changes in government policy they will be announced in the House.

GOVERNMENT ORDERS

CANADA SHIPPING ACT

AMENDMENTS RESPECTING DISCHARGE OF POLLUTANTS BY SHIPS

The House proceeded to the consideration of Bill C-2, to amend the Canada Shipping Act, as reported (with amendments) from the Special Committee on Environmental Pollution.

Mr. Barnett: I rise on a point of order, Mr. Speaker. Before Your Honour puts the amendment, I wish Your Honour's advice. There is an error in the English text at page 25 of the bill. This clause was amended in committee. Standing Order 75(7) provides that an amendment in form may be made by a minister of the Crown to a government bill. I am wondering whether something should be done by a minister of the Crown with respect to line 11 becoming line 10 of this government bill, or can the error be corrected some other way?

Mr. Speaker: I suggest to the hon. member this is essentially a clerical error which can be easily corrected. We will take the hon. member's suggestion into account and the correction will be made accordingly.

Mr. Louis-Roland Comeau (South Western Nova) moved:

That Bill C-2, to amend the Canada Shipping Act, be amended by inserting the following in Clause 2 immediately after line 18 at page 1:

"(d) "discharge" includes, but not so as to limit its meaning, any spilling, leaking, pumping, pouring, emitting, emptying, sifting or dumping."

and by relettering subsequent paragraphs accordingly.

He said: Mr. Speaker, the amendment is very simple, and I do not intend to speak on it at great length. This amendment merely defines the word "discharge".

The side note to clause 7 of the bill, as reprinted and reported from the committee, simply reads "Discharges of Pollutants". The word "discharge" appears five times in that clause. I move this amendment because the word "discharge" is not defined in the definition section or anywhere else in the bill. I intended to move this amendment in committee because several people were interested in this definition. We know what happened. The bill went through clause by clause on a day when I was not present in committee.

As I mentioned, the word "discharge" is not defined in section 736, the definition section of the Act. I realize that the oil pollution prevention regulations in Canada define the word "discharge", but it is not a very accurate definition for our purposes. In the oil pollution prevention regulations, the word "discharge" is defined as:

"discharge" in relation to a pollutant means any discharge or escape howsoever caused or occurring.

My amendment follows the wording of the United States water quality improvement act passed April 3, 1970. According to the act, "discharge" includes but is not limited to, any spilling, leaking, pumping, pouring, emitting, emptying or dumping. This definition is better than the one proposed in our oil pollution prevention regulations. On that basis, with some alterations, I move this amendment. Although this is a very minor amendment, the word "discharge" should be clearly defined so that we will know exactly what is meant. If the government does not like my definition, or prefers its own definition of the word "discharge', I submit an amendment should be brought in so Canadian ship owners or cargo owners may know exactly what is meant. Many of the witnesses who appeared before the committee expressed the desire that a definition be included in the bill. I am glad to see the minister here this afternoon. The bulk of the department's evidence before the committee was given by Mr. Macgillivray, Director of Marine Regulations Branch. For a while he was unwilling to accept many changes in the minister's absence; this was probably the reason the definition for which I am asking has not been included.

• (3:20 p.m.)

I realize the measure has to be a strong one. The minister has indicated time and time again that the department is taking a tough line. In these circumstances, it is only fair we should let the companies know exactly what is in store for them. The bill is of great concern to international interests as well as to purely Canadian concerns. Certain countries, particularly Scandinavian countries and Britain, have, I understand, expressed some concern about the terms of the bill. It is important, therefore, that the standards set must be clearly set out before the legislation becomes operative.

I am sure that had I been present on the day the committee discussed this particular clause the government would have accepted the amendment I have put forward. I trust the government will do so now, or, if not, at least insert some definition of the word "discharge".

Hon. Donald C. Jamieson (Minister of Transport): I have no quarrel with the case put forward by the hon. member. Indeed, even his definition is quite acceptable as far as I can see, with the possible exception of the word "sifting". We found it difficult to know how one could identify this action in terms of a shipping operation; perhaps the word "throwing" might be more appropriate. Apart from that, the amendment is acceptable.

I am not sure how we should proceed. If the hon. member is willing to substitute "throwing" for "sifting" there is no objection to the amendment on my part.

Mr. Comeau: I am so amazed, I will accept anything.

Mr. Speaker: Is it the pleasure of the House that the amendment should be put in the terms suggested by the hon. member for Southwestern Nova (Mr. Comeau)?

Mr. McCleave: No, Mr. Speaker, it should be changed to conform with the wishes of the Minister of Transport (Mr. Jamieson) who has objected to one word in it and suggested another. This change is acceptable to us. I presume my hon. friend will now ask for unanimous consent to amend his amendment. It could then be put in the altered form.

Mr. Speaker: Perhaps the minister would indicate whether this is correct, and in which way he suggests amending the motion proposed by the hon. member.

Mr. Jamieson: It is merely a matter of substituting the word "throwing" for the word "sifting".

Mr. Speaker: Is there unanimous agreement to amending the hon. member's motion as suggested by the Minister of Transport?

Some hon. Members: Agreed.

Mr. Speaker: The motion will be put to the House as amended.

Mr. Thomas S. Barnett (Comox-Alberni): Since the minister has been so ready to accept the amendment proposed by the hon. member for Southwestern Nova (Mr. Comeau), I shall not belabour the point. I had read the proposed amendment carefully. I thought it was a good proposal and one which would likely have been agreed to had it been put forward during the committee stage. I am happy the hon. member for Southwestern Nova has put it forward. We can all agree to incorporate it into the bill.

Motion (Mr. Comeau) agreed to.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to ask the unanimous consent of the House to withdraw Motion No. 2 standing in my name for a reason which I intend to give. It is quite simple. The motion was put down a week or so ago when I believed there would be a minister of the environment. Up to this point, there is no minister of the environment. There is, however, consideration being given to an amendment affecting the reorganization bill which would change the title of the minister of the environment to "Minister of Fisheries and the Environment". If this amendment were accepted, this motion in my name would be redundant, and I should therefore like to ask that it be withdrawn.

Mr. Speaker: The hon. member may withdraw his amendment with the unanimous consent of the House. Is there such consent?

Mr. Barnett: I say at once that I had intended to propose an amendment to the proposed amendment. Frankly, I consider the argument which the hon. member has advanced in favour of withdrawing his amendment to be ill-founded. Because I think there is some element of value in what I assume to be the idea behind the hon. member's amendment, and since I do wish to propose a subamendment, I feel I should not give unanimous consent at this point.

• (3:30 p.m.)

Mr. Speaker: Has the hon. member a seconder for his motion? Seconded by the hon. member for Fraser Valley West (Mr. Rose).

Mr. Rose: It is what you might call a bi-partisan amendment.

[Mr. McCleave.]

Mr. Comeau: I move:

That Bill C-2, An Act to amend the Canada Shipping Act, be amended by inserting the following in Clause 2 immediately after line 20 at page 2:

"(g) "Minister", notwithstanding anything in any other Part, means the Minister of the Environment;"

and by relettering subsequent paragraphs accordingly.

As stated by the hon. member for Fraser Valley West (Mr. Rose), this is a bi-partisan amendment. I suggest we consider the amendment in light of what took place in the committee of the whole the other day during the debate on the clean air bill. In response to a point of order raised at that time, Your Honour ruled that we were not prevented from including the expression "minister of the environment" in that bill by what had happened during debate on the government organization bill. I assume that the government is going ahead with its proposal, and if this amendment is accepted as well as the amendment of the hon. member for St. John's East to the government organization bill, then I suspect a new amendment can be brought in at a later date.

We have been saying for some time that all matters relating to pollution control should be brought under the one roof. The minister who will be responsible for anti-pollution measures is the minister of the environment, whoever he may be. This amendment simply gives the new minister of the environment control over all legislation—excepting the Arctic waters bill—dealing with pollution control.

In this respect, it is consistent with what we have been arguing for some time. For over a year now we have been arguing that this be done. We made the point when we debated the Canada Water Act last year; we repeated it this year when studying various anti-pollution measures. However, the government, in the actions it has taken this year, has reversed its stand from the position it took when we discussed the Canada Water Act.

We do not dislike the Minister of Transport (Mr. Jamieson); let me say that at the outset. We like the minister and think he will do a good job. On the other hand, we do think it essential that one minister be made responsible for all anti-pollution measures. At the present time there is a multiplicity of jurisdictions with regard to pollution control, and for this reason one minister should look after the interests of the environment.

The new minister should be responsible for controlling oil pollution, which is one of the greatest threats at the present time to the environment, especially the fishery. Since the new minister of the environment will have jurisdiction over the fishery and will be relieving the Department of Energy, Mines and Resources of its jurisdiction over certain sections of water, it seems to me the prevention of oil pollution should also be made the responsibility of the minister of the environment. This is the reason for the amendment I have now proposed.

The new regulations pursuant to this new Canada Shipping Act will be made to apply to any fishing zones in Canada prescribed pursuant to the Territorial Sea and Fishing Zones Act. This underlines my contention that the pollution control to which I referred should be

brought under one roof. Many of the departmental officials who will apply the legislation will be from the Department of Transport, but at the same time over-all jurisdiction over oil pollution in this context should, it seems to me, be within the department of the minister who protects the environment, and particularly the fisheries. Of greatest interests in this regard is the fishery. This bill makes provision respecting both the Atlantic and west coast fisheries, which are our greatest fishing resources, though it also applies to the Great Lakes as well. Since there must be very close liaison between the department of fisheries and the administrators of this new act, it seems to me that the minister of the environment should be responsible for both aspects.

Last year's throne speech was heralded with great fanfare as the anti-pollution throne speech because the government was proposing to set up a new department to protect the environment. For once, the government was going to start to tackle the pollution problem and to place responsibility upon one minister. I should like to know why the government does not wish the new minister of the environment to have complete control of all anti-pollution measures. I do not understand why the government excepts the Arctic waters anti-pollution bill that Parliament passed last year, because that measure also relates to pollution control. Although the government may have some explanation, it does seem to me that responsibility for controlling pollution should be with this new department. The interests of the fisheries are very much at stake here. The movement of oil, as well as the movement of other pollutants, must be very much in the mind of the Minister of Fisheries and Forestry (Mr. Davis). If the movement of pollutants, other than oil, is to be authorized this has to be a matter of concern. Last year the movement of phosphorus through Canadian waters was of great concern to the minister.

• (3:40 p.m.)

To be consistent with what our party has been trying to do, and what the government has been trying to do, it seems to me that all parties in the House should accept this amendment.

Mr. Barnett: Mr. Speaker, the argument advanced by the hon. member for South Western Nova (Mr. Comeau) in support of his amendment was very much along the lines I expected. I find myself basically in agreement with the argument he has presented. I am sure Your Honour has heard my colleague, the hon. member for Kootenay West (Mr. Harding), pursue the same theme in his speeches. The amendment I intend to propose will add additional words to the motion presented by the hon. member. Inasmuch as the amendment ends with the word "environment" I find myself very much tempted to add the words "and fisheries". This would be in line with what the hon. member had in mind when he suggested withdrawing his amendment. However, I thought I might be anticipating another debate, so should refrain from inserting these words at this point.

As the hon. member has suggested, the consequential changes arising from this proposed change of name might be dealt with at a later date. I do not intend to repeat the arguments which have been advanced in support of this basic idea, but I do want to say at once that I am concerned with some of the implications of this amendment. If one examines the terms of the bill, which sets out the responsibilities of the new ministry of environment, he will agree that this amendment is a step in the direction some of us have been advocating. The minister of environment should have general jurisdiction or supervision over activities of the government which directly affect the environment, that is the taking of appropriate steps to prevent further pollution of that environment.

In most respects, the bill we have before us is primarily concerned with the matter of shipping and the construction of ships. It is concerned with the type of navigational equipment they will carry and the rules under which they will operate. For this reason, it does seem to me that any addition to the Canada Shipping Act most appropriately rests in the hands of our Minister of Transport (Mr. Jamieson), who generally has responsibility for administering this act. The fact that the thrust and purport of this bill is directed toward the prevention of pollution indicates the minister of environment should also have some authority at least to designate what levels of pollution will be acceptable for the purposes of this act and how pollutants will be defined. There are certain clauses of the bill which relate specifically to this aspect of the matter. They have to do with the carrying of oil and other pollutants in bulk cargoes.

It seems to me there is a happy point of compromise between the position set out in the bill, which would put the new part of the shipping act entirely under the minister's jurisdiction, and the position outlined by the member for South Western Nova in his amendment. If one were to follow through with the hon. member's argument, he would revert to the days when we had a department of marine and fisheries. In those days what is now the Department of Transport looked after shipping as well as fisheries. Surely, the hon. member does not want to revert to that situation. In this day and age I would not advocate this move, and I doubt very much if the minister, in view of his responsibilities regarding air transport, railways and a few other minor things like that, would welcome the idea of again having within his jurisdiction the department of fisheries.

I have sought to come up with something which separates the basically sound idea of the hon. member for South Western Nova and what to me seems to be the logic of having the Minister of Transport responsible for those things referred to in the bill. Therefore, I should like to move, seconded by the hon. member for Surrey (Mr. Mather):

That the amendment be amended by deleting therefrom the semicolon following the word "Environment", and by inserting the words,

"for the purposes of Section 737, subsection (1) and Section 739, subsection (1), paragraphs (a) and (m), and the Minister shall recommend to the Governor in Council any regulations proposed to be made pursuant thereto;"

The amendment would then read:

That Bill C-2, an Act to amend the Canada Shipping Act, be amended by inserting the following in Clause 2 immediately after line 20 at page 2:

"(g) 'Minister', notwithstanding anything in any other Part, means the Minister of the Environment for purposes of Section 737, subsection (1) and Section 739, subsection (1), paragraphs (a) and (m), and the Minister shall recommend to the Governor in Council any regulations proposed to be made pursuant thereto;" and by relettering subsequent paragraphs accordingly.

Let me take a moment to draw attention to the particular subsections I have in mind. Proposed section 737 is headed "Discharges of Pollutants". Proposed subsection (1) reads:

The Governor in Council may make regulations prohibiting the discharge from ships of any one or more pollutants specified in the regulations, except as thereby authorized, in any waters to which this Part applies and with respect to which those regulations are made applicable.

Proposed section 739(1) is fairly lengthy. It sets out the authorization for a number of regulations, most of which have entirely to do with the question of regulating of ships, that is the type of navigational equipment and so on they are required to carry. But paragraph (a) of subsection 1 provides that regulations may be made prescribing substances and classes of substances that are, for the purposes of this part, pollutants. It would seem to me that this part deals very specifically with an area of the responsibility of the proposed department of the environment. In practice under my proposal as I see it, if regulations are to be drafted the minister of the environment would have to say, before the draft is presented to the governor in council for enactment, that the regulations are in conformity with the general type of regulations we are developing to control pollutants. This department will have to decide what are pollutants under the terms of other acts whether the Fisheries Act, the Water Act or any of perhaps a number of other acts.

• (3:50 p.m.)

When we come to paragraph (m) of subsection (1), we find it provides that regulations are to be made for regulating and preventing the pollution of air by ships. Here, it would seem to me we are moving directly into an area of responsibility that is within the ambit of the proposed clean air bill. If the minister of the environment, as is proposed, is to be the responsible minister in respect of the administration of the clean air act, then here again is an area of responsibility which this legislation should properly allocate to the minister of the environment so that he will have a voice at some point prior to any administrative responsibility being turned over to the Minister of Transport.

It would seem to me that the proposal I have put forward represents a logical step in the legislative process to ensure that the will of Parliament, which has been referred to in many speeches made in this House, is emphasized at the present time. I believe there has been general support so far for the basic concept of the clean air bill, and indeed for the establishment of a department of the environment no matter what the particular name might be. Therefore, I believe these proposals would be consistent with the wish expressed generally in Parliament as to the approach we should be taking and the concept which, in principle, now is obviously accepted by both sides of the House. It seems to me we should start tying in very specifically the responsibility of the minister of the environment, as it has been outlined in the proposals for the department, with the various acts which are to be under his administration. One of those acts should be this one which, while generally speaking is within the ambit of the administration of ships and the rules of navigation, ties in closely with the general question of helping to preserve an environment which is fit for us to live in.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, as a point of academic interest which may come up later, I am wondering about the extent to which it is possible to amend a motion made at the report stage which involves the importation of what might be a completely new and foreign—and I use the word "foreign" advisedly—area of discussion. The motion moved by the hon. member for South Western Nova (Mr. Comeau) was designed to name the minister of the environment as the minister who would have jurisdiction under this particular part of the amended act. However, the amendment would extend this principle to provide that the minister of the environment, rather than the governor in council, may set regulations. I know we are in a very limited area in respect of which some time ago Your Honour did rule that the right to make an amendment to a motion at the report stage was there, but I believe it had to be exercised in such a way as to bring the amendment squarely within the four corners of the original motion. I raise this point because I think it might be of some interest in the future. I do not know whether Your Honour proposes to deal with it, but I thought I would bring my views to your attention.

Mr. Speaker: Order, please. The point raised by the hon. member, of course, is of interest. As he said, some time ago, after the new rules were accepted by the House, a point was raised as to whether it was possible to amend a motion at the report stage. At that time, the Chair ruled it was possible to make such an amendment, but that amendments at this stage are subject to the same rules and limitations as amendments at other stages. I am not sure I can interpret the amendment proposed now by the hon. member for Comox-Alberni (Mr. Barnett) in the same way the hon. member does. My interpretation of the motion proposed by the hon. member for South Western Nova (Mr. Comeau) is that the minister, for the purposes of the Canada Shipping Act, would be the minister of the environment. The hon. member suggested this applied only to part IX. There could be an interesting legal question concerning what the minister of the environment, or whatever he may be called, should have jurisdiction over under the Canada Shipping Act.

It seems to me the amendment of the hon. member for Comox-Alberni (Mr. Barnett), from a procedural stand-

point, is very helpful because it indicates exactly what was in the motion presented by the hon. member for South Western Nova. I would think the point raised by the hon. member for Peace River (Mr. Baldwin), as he says, perhaps is academic to some extent. There will always be some difficulty in determining what is acceptable by way of a proposed amendment to a motion moved at the report stage. It will never be easy to make such a decision. My colleagues at the table and I, during the months in which this rule has been in force, have tried to be as lenient as possible in respect of amendments proposed at the report stage. I believe we have accepted, debated and voted on some which were, I would think, even much more removed from the principle of the motion than this one would be.

I recognize the importance of the point raised by the hon. member for Peace River, but I do not think the matter should be pressed further. I have the impression that if the motion proposed by the hon. member for South Western Nova is in order, the one now proposed by the hon. member for Comox-Alberni is also in order. By way of academic consideration, it might be argued perhaps that the hon. member for South Western Nova was trying to go behind the bill and seeking to amend the original statute itself by modifying a clause which was not before us in this particular bill. But the amendment was accepted and procedurally was put to the House. I do not think at this stage the Chair should use this argument to throw out the amendment proposed by the hon. member for Comox-Alberni. I think procedurally the amendment is properly before the House.

• (4:00 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if you would allow me to say just a word on the point that has just been under discussion. I realize I am a bit irregular in doing so because in fact the Chair has ruled, but I wonder if I could point out in defence of the hon. member for South Western Nova (Mr. Comeau) that the amendment he sought to make was to the new section 736 which is in a group of sections under part XIX, pollution, and that the interpretation section which he is seeking to amend applies only to part XIX. I think, in all fairness to the hon. member, that his attempt to define the minister was only for the purpose of part XIX, not for the purpose of the whole act. However, Your Honour has accepted this as in order, so we might go on to what my colleague, the hon. member for Comox-Alberni (Mr. Barnett) wishes to do, that is to narrow it still more, to make the minister of the environment the minister with respect only to certain sections that are in part XIX. But at any rate we all seem to be agreed that both amendments are in order, and I am sure that it is fortunate that the amendment of the hon. member for South Western Nova was put before the House so that we could have this valuable subamendment to it.

Mr. Baldwin: May I say, for purposes of clarification, that I did not intend to suggest that the amendment of the hon. member for Comox-Alberni had the effect of substituting the minister of the environment for the Minister of Transport (Mr. Jamieson) in the act. What I was trying to point out was that I, personally, would like to see this motion widened. However, I wanted to have a ruling from Your Honour along those lines because the effect of the amendment now is to provide that the minister of the environment rather than the Governor in Council may make regulations. That is the point I wanted to make clear.

Hon. Donald C. Jamieson (Minister of Transport): It has been a most interesting discussion and a very enlightening one in view of your ruling, Mr. Speaker. Since we have spent so much time arguing about the legality or propriety of both the motion and the amendment, now that the matter has been resolved it pains me somewhat to say that, personally, I cannot accept either one of them. I understand fully and sympathize with the principle that has been espoused by the hon. member for South Western Nova (Mr. Comeau), that is the concept of having all pollution matters within some form of centralized control. I take it that the other hon. member who moved the amendment to the motion had something of the same nature in mind. However, it does seem to me that we do not do any offence to the basic concept of a centralized form of control if in a sense we separate it into two parts, that is those parts of the control which are exercised through legislative authority such as is contained in the various environmental bills, and second, the kind of co-ordinating authority which undoubtedly will be present in so far as this measure is concerned, as well as a great many more.

The proposal as put forward by the hon. member for South Western Nova is one we examined in great detail, that is the department under which this part of the act would be most appropriate. I can assure the hon. member—and indeed this was discussed at some length in committee—that the judgment we made was not one which reflected any proprietary interest on my part or any feeling that once having acquired some form of responsibility it would be sinful to dispose of it in any other way. It was a very practical judgment and one that I think is entirely defensible. This is a small but important part of the total responsibility for the administration and control of shipping, both in Canadian waters and as it applies to the hundreds of aspects of the Canada Shipping Act. It is perfectly clear that in terms of the sections with regard to pollution matters and the like, the expertise and the capability repose in the Department of Transport. It is also evident, I think, from events of the past year or so that we have quite the best capability that exists at the present time for dealing with pollution incidents of this kind. I would not want to argue that our capability is by any means 100 per cent, far from it. I have indicated on several occasions that there is a great deal more to be learned about this subject. Nevertheless, it is my judgment, supported I believe by the evidence, that this measure and the responsibility for carrying it out, rests best at this moment within the Department of Transport.

One or two other illustrations may help to reinforce my contention. For example, it is clear that the coast-guard will have to play a major role in terms of carrying out these responsibilities. If there were to be divided

jurisdiction in the manner which the hon. member suggests, then it is conceivable that valuable time would be lost in the event of a pollution spill or something of that nature with which we had to cope.

I think the essential argument is that, comparatively speaking, this is a small part of the total Canada Shipping Act. This is not by any means a precedent, and indeed hon. members on all sides of the House agreed with proposals which I put forward some months ago and which were supported unanimously with regard, for example, to the emission of exhaust fumes from automobiles. The judgment of hon. members at that time was that even though this had major pollution overtones, nevertheless, because the Department of Transport was the principal agency with regard to the inspection of newly manufactured automobiles and the like, it was most appropriate that this particular provision with regard to the emission levels of exhaust from automobiles should remain within the Department of Transport. This was done, I repeat, with the unanimous agreement of members of the House who saw the logic of that situation.

Mr. Barnett: Mr. Speaker—

Mr. Jamieson: Would the hon. member wait until I have concluded? I will be happy to answer any questions he has at that time.

It seems to me there is a parallel within the present proposal. The new minister of the environment and I have consulted extensively already with regard to his role when it comes to the controlling of pollution as envisaged in this bill, and we have no doubt that it would be far more advisable to keep it within a single ministry, to make a single minister responsible in terms of the legal responsibilities as opposed to the co-ordinating role. That refers to the original motion.

As for the amendment to the motion, it is my sincere conviction that at this point in time it would complicate matters unduly. I am not altogether certain what would be achieved by it. I would assume that before any identification of pollution substances and the like is made, there would be consultation. In fact, I am quite sure that this would be so, but it would be just as reasonable to suggest that before the proposed minister of the environment, or whatever name hon. members wish to apply to that department, did anything, it should be a requirement that he consult with me. Of course, I think that this would be done in any event. I do not believe that the confining strictures which would be applied through this amendment would serve the purpose any better, and indeed would not serve it as well as the arrangement that we have in this bill.

So on this count, as well as many others that I could evoke, I fear that I have to reject both of the proposals. I will be glad to answer the question of the hon. member if he wishes to put it now.

Mr. Barnett: I will not seek to debate my amendment again with the minister, although his last remarks were pertinent to it. What I would like to ask the minister is whether he could check his memory, as I have checked mine, with reference to the question of emissions from motor vehicles to which he referred when we enacted that legislation. Is it not correct that when the House gave unanimous consent, as he said, to the idea enunciated there, we did not know we were going to have a proposal from the government for the establishment of a department of the environment with general responsibility in the pollution area?

Mr. Jamieson: If the hon. member means, did the House know the form of the measure, I suppose he is correct. But of course, it has been indicated for some considerable time that such a measure was coming forward in some form. But even if this were not so, my argument was not that, given those circumstances, there would have been a proposal that it go to the department of the environment. My point and contention are that the weight of the evidence presented at that time made it thoroughly logical that in terms of that particular measure, the responsibility more properly resided in the Department of Transport. I say that, regardless of whether there was a department of the environment in existence at that time or not, my point is that if, in fact, we have inspectors who are examining an automobile—to use a nautical expression more appropriate to this bill—from stem to stern, it makes a good deal of sense for the examination of the exhaust system to rest within a single department. I maintain the same is true in the present case.

• (4:10 p.m.)

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment to the motion. All those in favour of the proposed amendment to the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to Standing Order 75 (11) the recorded division on the proposed motion stands deferred.

Mr. Thomas S. Barnett (Comox-Alberni): I move:

That Bill C-2, An Act to amend the Canada Shipping Act, be amended in Clause 2 thereof by deleting lines 15 to 31 inclusive at page 3 and substituting therefor:

"(2) Except where otherwise provided in this Part or in any regulation made thereunder, this Part and any regulations made thereunder apply

(a) to all Canadian waters south of the sixtieth parallel of north latitude;

(b) to any fishing zones of Canada prescribed pursuant to the Territorial Sea and Fishing Zones Act;

(c) to such additional waters south of the sixtieth parallel of north latitude and adjacent to the sea coasts of Canada as lie within a distance of one hundred nautical miles measured seaward from baselines or the outer limits of fishing zones prescribed pursuant to the Territorial Sea and Fishing Zones Act, or from the nearest Canadian land where no such baselines or fishing zones have been prescribed, provided that this paragraph shall not apply where the Governor in Council has issued a list of co-ordinates pursuant to the provisions of subsection (4) of Section 5 of the Territorial Sea and Fishing Zones Act; and

(d) to all ships in waters described in paragraphs (a) to (c)".

This amendment, Mr. Speaker, is designed to deal with a very basic inadequacy in what generally speaking is a very good bill. It proposes that instead of administering the provisions of the bill for a distance 12 miles seaward from our coastlines, the jurisdiction of the administration be extended 100 miles seaward from our coastlines in all of the waters lying south of the sixtieth parallel. In other words, this measure would apply to those waters adjacent to the coasts of Canada that do not lie within the ambit of the Arctic Waters Pollution Control bill which we dealt with in the last session of Parliament.

I said generally speaking this is a very good bill. I think its passage through the standing committee would bear out my contention because there were quite a number of amendments that were generally agreed to in the committee and which were brought forward to this House at the report stage. This proposal of mine did not receive the endorsation of the majority of the committee members and, therefore, I bring it forward for the consideration of the House today.

I have in my hand a clipping from the *Victoria Colonist* of August 9, 1970 which has reference to the aftermath of a situation which developed in Active Pass. This is on the shipping route generally used by many of the vessels travelling between the port of Victoria, our capital city in British Columbia, and the Vancouver area. There was a collision in Active Pass between a Russian freighter and a vessel of the B.C. Ferry service, which resulted in very severe damage to the ferry. The ferry was out of service for quite some time for major repairs, and there was also loss of life. It was a serious accident, although I might say not as serious in the context of the bill which we have before us as it would have been if either one or both of the ships had been tankers carrying oil. The U.S.S.R. vessel was a general cargo one, and so no major question of pollution was involved.

I mention this clipping because it reports Federal Transport Minister Don Jamieson as saying that changes in navigation law would have to come before alterations in coastal routes and Vancouver Harbour approaches could be determined.

"We can't instruct a ship or tell a ship where to go under the present law", he said.

The lack in the law referred to by the minister at that time, in my view is the basic gap that the bill with which we are dealing is designed to close. While this bill is one of the more complicated bills that I have studied in committee, I think the essence of it is sound and the general principle is one which the House should support.

So, the area of debate raised by my amendment does not deal with the basic principle of the bill but with the question of the area of its jurisdiction.

I would suggest that in view of a couple of events, this proposal of mine is rather appropriately being discussed today. One is that this is about the time that our proclaimed fishing zones become operative. At least, the Minister of Fisheries and Forestry (Mr. Davis) issued a statement a little while ago that they would become operative as of the end of February. So, we are starting in somewhat of a new era so far as the area over which Canadian jurisdiction for pollution purposes, among other things, applies.

Mr. McGrath: It does not apply to the south coast of Newfoundland.

Mr. Barnett: I will leave it up to the hon. member to discuss that aspect of the matter, which he does very capably and about which he knows a great deal more than I do.

The second event which I suggest makes this discussion appropriate is that this is D-day in the province of British Columbia for the launching of a petition which it is hoped will secure one million signatures from residents of British Columbia and of the State of Washington in the U.S., protesting the proposed establishment of an oil tanker route from the State of Alaska through the Strait of Juan de Fuca to an oil refinery on the mainland of the continental U.S. This event, Mr. Speaker, fits in very well with the suggestion that has been made by the Secretary of State for External Affairs (Mr. Sharp) that Canadians should speak out and express their concern about proposals of this kind. I suggest that I am providing the House with an opportunity to speak out on this sort of thing through the amendment that I am proposing.

Much has happened in this fast moving world of ours since the previous session of this House when we passed certain bills that impinge upon some areas of our concern respecting the future of the environment of the country. In the previous session we passed the first Arctic Waters Pollution Control bill and a bill amending the Territorial Seas and Fishing Zones Act which extended our territorial sea to 12 miles from three miles and made possible the application of the fishing zones now in effect on our Atlantic and Pacific coasts. Some of the things which have happened have highlighted the need for the kind of bill with which we are dealing. I am referring to certain events on the Atlantic coast at Chedabucto Bay. Much of the time of the committee was devoted to considering the implications arising from that disaster involving an oil tanker.

More recently there was a double tanker collision in the entrance to San Francisco Harbour under the Golden Gate. Large quantities of oil were poured into the waters of that particular part of the west coast. Even more recently, Mr. Speaker, and closer to home, there was an occurrence in my constituency. At the end of last week a large body of heavy oil was moving inshore at the edge of Long Beach, adjacent to where we have just established our new west coast national marine park. Anyone

who wants an idea of how Long Beach appears need only look at the picture on the cover of this year's British Columbia telephone directory. Although that is the most extensive individual beach in the area, there are many other beautiful beaches that could be affected by this oil. So, we have had fair warning. I hope that the minister, who was not here for the question period, can give us some more detailed information of the size of this body of oil, where it has come from, and any other information of that kind on this point. As I say, we have had fair warning of what may be impending for the Pacific Coast, at least if this route for large tankers carrying oil from the north slope of Alaska down the west coast of Canada is inaugurated.

If anticipated pollution as a result of shipping developing in the Arctic warranted Canada taking action last year to place the 100-mile pollution and territorial seas zone around the Arctic islands, then I suggest the very real and pressing dangers on our Atlantic and Pacific coasts that have been so dramatically demonstrated since the time we passed the Arctic Waters bill warrant and justify, for the sake of our own national survival and safety as a people, the same kind of control with regard to the same kind of use of our waters out to 100 miles. My amendment proposes that. As somebody has said, there is no magic in that particular figure.

I should like to suggest that it ought to be considered a minimum more than a maximum. Anyone who thinks that we are trying to take over control of the oceans of the world should look, I suggest, at a map of the Pacific Ocean and see what a small portion of the Pacific Ocean is encompassed by that area extending 100 miles from our coastline. One can realize this is a very modest suggestion, indeed.

I know that arguments will be advanced that we are going beyond accepted international law, and perhaps we are. Perhaps we are developing what is sometimes called the customary law of states. Yet I suggest to the House that if, in keeping with Canada's place in the world, we proclaimed that 100-mile zone around our Arctic islands, it would be even more in keeping with our place in the world if we were to seek to develop the international law by saying that the same principle applies to our Pacific and to our Atlantic coasts.

We are not completely without grounds in taking this sort of action. Speaking on the second reading of the bill to amend the Territorial Seas and Fishing Zones Act, the Secretary of State for External Affairs said, as reported at page 6013 of *Hansard* for April 17, 1970:

> We cannot, however, accept the notion that a coastal state's fisheries conservation and protection jurisdiction must cease at 12 miles from shore.
>
> The developments since 1960 have proved that there is no magic in the 12-mile limit. Unlike the deer and bears in national parks, who become aware after a period that they are safe when they enter the sanctuary of the park, the fish do not seem to know that they are safe—except of course from Canadian fishermen—when they enter the 12-mile limit.

A little later in the same paragraph, the minister said:

> Once again, Canada, after long and serious deliberations, has decided to go it alone.

[Mr. Barnett.]

The suggestion, if my amendment means that we are to go it alone, is not without precedent, even if one were to consider actions proposed and taken by the present administration. It is becoming more and more apparent to me every day that, in some respects, we cannot wait for international treaties to come into being.

A good deal of discussion has arisen about the Brussels Conference of late 1969. It was referred to in a statement by professors of international law at the Faculty of Law, University of Toronto, presented at the Annual Conference of the American Society of International Law meeting in New York City on April 24, 1970. The heading of this document is "The Canadian Initiative to Establish a Maritime Zone for Environmental Protection: its Significance for Multilateral Development of International Law". Page 3 of the document, as I have it in typewritten manuscript form, reads:

> • (4:30 p.m.)
>
> At the Brussels Conference late in 1969 IMCO drafted a more far-reaching convention.

This is more far-reaching than the original convention on the matter of pollution of the sea by oil.

> Even if it is ratified by most of the shipping and coastal nations concerned, it contains the same basic defect of not providing for meaningful preventive regulation. The Canadian delegation at that conference argued in vain for the adoption of an effective regime of environmental protection.

As I understand it, this is what the proposed amendment to the Canada Shipping Act is all about. It is a matter of trying to create an effective regime of environmental protection and meaningful preventive regulation.

I was happy when the committee accepted my suggestion that the reference to pollution control officers in the bill be changed to "pollution prevention officers". As far as I am concerned, the essence of the bill is to seek to develop preventive regulations against the dangers of possible massive oil spills. No matter how effective the measures may be that we may develop in the future under the coastguard, or what kind of materials we stockpile, in some respects they are going to be ineffective once the oil is in the water and moving toward our shore line. I was glad to see the minister make a reference to the emphasis that should be placed upon the coastguard in this role. My constituents on the west coast are getting a sample of the heavy, massive goo that can come ashore on some of the most beautiful sand beaches in the world. What destruction will occur on a large scale if we do not take measures to create effective preventive regulations?

The International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties is limited in its effect to action that is taken after the event, rather than before. Article I reads:

> Parties to the present Convention may take such measures on the high seas as may be necessary to prevent, mitigate or eliminate grave and imminent danger to their coastline or related interests from pollution or threat of pollution of the sea by oil,—

Then, comes the real crux of it:

> —following upon a maritime casualty or acts related to such a casualty,—

A maritime casualty is defined as meaning a collision, running aground on a reef or other events of that character. The related interests which are included are interesting and relevant. The definition section of Article II reads:

"Related interests" means the interests of a coastal State directly affected or threatened by the maritime casualty, such as:

(a) maritime coastal, port or estuarine activities, including fisheries activities, constituting an essential means of livelihood of the persons concerned;

(b) tourist attractions of the area concerned;

(c) the health of the coastal population and the well-being of the area concerned, including conservation of living marine resources and of wildlife;

This is what we are really concerned with in this bill. Basically, we are trying to take steps to prevent the danger of any oil spill on the water, rather than merely dealing with it as a right on the high seas after a marine casualty has occurred. This is an obvious gap in the international agreements. This matter is becoming so pressing that we are at least compelled to make an attempt to take preventive action a reasonable distance from our shores. This point is being driven home to thousands of people on the Pacific coast now that there is a discussion about tankers travelling down our coastline from the state of Alaska.

No one can logically argue that 100 miles is an unreasonable distance from our shores to seek to take preventive action. We are not being unfair with regard to the activities of other nations if we simply say that if they come within a short distance of our shores,—their ships must meet certain standards and have certain navigational aids, obey certain navigational rules and in specific areas follow traffic regulations.

When I spoke on second reading of the bill, I said that 12 miles off our shore was nothing more than spitting distance. I shrink inside when I think of the possibility of the glorious stretch of ocean shore in our new national park, Long Beach, being contaminated in the same way as some areas on the Atlantic coast of Canada were affected by the spill of the *Arrow*. Those who know about these things have told me that when considering the kind of tanker proposed for service down the coast from Alaska, we must bear in mind that after their engines have been put full speed astern they travel five miles before coming to a stop. In that context, how effective is a 12-mile zone off our coasts? It is obviously not realistic that the jurisdiction of this bill should be limited to such a short distance off our coasts.

The principle of this amendment is exactly the same as the one proposed last year to the Territorial Sea and Fishing Zones Act by the hon. member for Greenwood (Mr. Brewin). It was turned down in the committee, as a matter of fact, and ruled out of order in the House. However, it is certainly within the ambit of the bill before us today.

• (4:40 p.m.)

During the debate on the Territorial Seas and Fishing Zones Act last year I proposed an amendment which would have extended our fishing zones. During that discussion, as may be found in *Hansard* of June 4, 1970, at page 7747, I set out the action which had been taken unilaterally by the United States under President Truman in 1945. I have here a copy of the Presidential Proclamation number 2668 of September 28, 1945 with respect to coastal fisheries in certain parts of the high seas. This reflects President Truman's conviction that there was need for action to preserve fishing resources. In this case, the need was so great that the United States had to make this move on its own initiative in the absence of existing international law or agreement. In other words, the United States was making new law. It was subsequent to this declaration that certain of the South American countries took steps to extend their own fishing zones.

An hon. Member: Like Peru.

Mr. Barnett: Peru, Ecuador, Chile and now, I understand, Brazil. So, there is an important section of the coastline of South America in respect of which jurisdiction extending 200 miles is claimed and where steps are taken to enforce this jurisdiction. At any rate, since a declaration such as this has been made by our friendly neighbour to the south, on its own initiative, I submit that should this amendment be agreed to the United States could not, with any logic, take objection in these circumstances. They might, of course, say: we can do it because we are big, but you cannot do it, because you are little. I do not believe they are prepared to take such a position; I do not believe the United States is prepared to develop a thesis of that kind, justifying its own actions while condemning ours. I have more faith in the people of the United States than that.

As I have mentioned, the action proposed in the amendment does not conflict with accepted international practice in certain circumstances, that is what some of our constitutional experts have described in the committee as a development of the customary law of states, something which we, according to certain of these experts, did last year in relation to the Arctic. I suggest we ought to do a little more of it this year with respect to the Atlantic and the Pacific. If the concern felt by the United States in 1945 about the conservation of the fisheries and the protection of marine life was real enough to require unilateral action to be taken, how much more pressing is the need today?

My amendment is a fairly long one and I shall not go into all its details. I should like to point out, though, that it has been carefully drafted in order that its provisions should not conflict with the rights of other nations whose waters adjoin our own. This is dealt with in that part of the amendment which refers to the provisions of subsection (4) of Section 5 of the Territorial Seas and Fishing Zones Act which gives the Governor in Council the right to issue the list of geographic co-ordinates in areas where the territorial sea or fishing zones of another country come close to our coasts. In other words, we are not seeking to assert any wider jurisdiction over waters which properly and normally belong to other nations.

The Secretary of State for External Affairs, in answer to questions in the House in recent days concerning the

proposed establishment of a tanker route from Alaska, has on one or two occasions referred to the value of speaking out. On February 18 he said:

> I think it is most important that during the period while hearings are being held, Canadians and Americans should realize the potential risks involved and speak out, and speak out clearly.

Again, on February 22, he said:

> I do believe it is important that all of those concerned, particularly the people affected in the State of Washington and in the Province of British Columbia, should make their views about this question known so that at least this decision is made in the full knowledge of the very serious danger of pollution which exists. I have no hesitation in saying on behalf of the Canadian government that we believe there are serious dangers of pollution.

I agree with the Secretary of State for External Affairs that it would not be appropriate for the Canadian government to appear officially before a board holding hearings in the United States. Nevertheless, the danger of pollution is real and serious and I suggest the time has come not only for the Canadian people as private citizens to speak out, but for this Parliament to take some positive action to recognize the danger which the Secretary of State mentioned in his reply to the questions about the proposed tanker route on the Pacific coast. It is all very well for us to make pious exhortations to citizens; when it comes right down to it, we who sit in this chamber are the only ones who can make the voice of the people effective. It is time to make that voice effective at least to the extent of the amendment I propose, one which would add to the protective jurisdiction of the bill before us.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on the amendment moved by the hon. member for Comox-Alberni (Mr. Barnett). I spoke on Bill C-2 when it was introduced on October 26 of last year.

The bill before us deals, in my view, with one of the most important problems facing Canadians, namely, the pollution of our environment. The motion proposed by the hon. member for Comox-Alberni is a lengthy one and I shall not burden the House by reading it. I shall refer only to parts of it. Part III deals with fishing zones. I question the value of using the fishing zones in Canada, as the basis of this amendment. I question the value of the wording of this particular amendment, which provides that regulations shall apply to any fishing zones of Canada described pursuant to the Territorial Sea and Fishing Zones Act, because in some cases fishing zones as defined are inoperative.

• (4:50 p.m.)

As the House is well aware, the Territorial Sea and Fishing Zones Act was passed unilaterally with great fanfare in 1964. If the terms of that legislation had been implemented and enforced in that year, or even in 1965, then our fishermen, especially those on the east coast, would not today be facing a serious decline in their fisheries resources due to over-fishing by other countries. However, the legislation was not enforced in 1964, nor in 1965, 1966, 1967, 1968, 1969 or 1970. As a result of the government's procrastinating attitude haddock have become almost extinct, our herring resources are diminishing, while stocks of redfish, flounder and cod have declined to dangerous levels. The legislation is not enforced to this day on the south coast of Newfoundland.

This amendment is based on fishing zones that are not truly operative, which of course poses the question for the members of this party whether we can support an amendment of this type. Recently the Minister of Fisheries and Forestry (Mr. Davis) made an announcement outside the House with regard to fishing zones, but these, as I said a moment ago, do not apply to the south coast of Newfoundland. Neither do they apply to the area surrounding St. Pierre and Miquelon. As a matter of fact, the minister's announcement only accentuated the problem of defining territorial seas and fishing zones in the area of St. Pierre and Miquelon.

Paragraph (c) of the amendment provides the interesting proposition that the regulations would apply to waters adjacent to the sea coasts of Canada as measured up to 100 miles from the base lines. We believe that this particular Bill should come under the authority of the Minister of Transport, and we express that view because he, in the final analysis, has the right to determine the types of ships that are constructed at the present time. It is for the Minister of Transport to define what should be the strength of oil tanks and water tanks, or the thickness of wood or steel used in the construction of ships in Canada. It is for the minister to make certain that his officials are aware that all ships employ proper navigational aids as required by law.

This is why we believe the Minister of Transport should have jurisdiction over the regulation of pollution control on the high seas. While we agree that steps must be taken not only to see that pollution is controlled up to 100 miles off our coasts, but throughout the entire environment, it seems to me that all nations and all peoples must be alerted to the danger of polluting our environment. In other words, while pollution abatement some 100 miles out to sea may be desirable, the truth is that such a law is unenforceable. To be effective, all nations must be alerted to the need to minimize the waste that they put into the sea. This can only be accomplished by holding an international conference in which all shipping nations participate.

This fact was pointed out by the minister himself when he was asked about the ability of the government to enforce this particular legislation. In response to a question from the hon. member for South Western Nova (Mr. Comeau) about enforcing the legislation as it relates to the St. Pierre and Miquelon area, the minister replied that in the case of St. Pierre and Miquelon there is undoubtedly a problem because we would not be able to enforce Canadian law against a foreign owned vessel going to a foreign port. That was one of the unfortunate accidents of geography. The minister went on to say that he hoped that perhaps we could make some kind of practical arrangements with the authorities of St. Pierre and Miquelon because he was sure they did not want to have a major oil spill off their coastline any more than

we did. In fact, said the minister, in the one case where this did come up one year we did co-operate with them effectively and in a practical way. In other words, we would be able to enforce the legislation on ships on the high seas destined for a Canadian port, but we could not enforce it on a ship docking at St. Pierre or Miquelon. If that be the case, and I presume the minister had all the facts at this command when he made that statement, it is obvious that the provisions of an amendment of this type giving control over pollution to the Canadian government up to some 100 miles off our shores would be unenforceable.

May I come back to my original suggestion, which is that I believe all nations must be made aware of their responsibilities with regard to pollution. It is for an international conference to alert each and every nation that has ships on the high seas to their responsibility to make certain they do not pollute the high seas.

In closing, and since I see it is almost five o'clock, may I put on the record the facts as stated in a *Time* magazine article on December 28, 1970 which gives an indication of the sense of responsibility that is now evident among the nations of the world:

In Rome last week, the United Nations Food and Agriculture Organization tackled the problem—

That is, the problem of pollution.

—by inviting 400 scientists from 40 maritime nations to discuss man's abuse of the seas. The biggest and most important such conference to date produced more than 140 papers describing the danger. For example, two French scientists, Georges Bellan and Jean-Marie Peres, expressed alarm about the Mediterranean. Not only is human waste soiling beaches from Tel Aviv to Trieste, they said, but the "self-cleansing" power of the sea itself can no longer cope with the volume of untreated excrement and industrial waste now pouring into it. As a result, the scientists told their colleagues, "The Mediterranean is rushing toward complete pollution."

Bruce McDuffie, a bearded chemist of the State University of New York at Binghamton, is the man who recently discovered mercury in U.S. canned tuna. In Rome, he reported also finding high mercury levels in commercial swordfish. Reason: according to an American paper presented at the Rome conference, industry is now dumping 5,000 tons of mercury into the oceans each year. Because fish hold mercury in their systems for as long as 500 days, the contamination can travel over vast areas.

Dr. Max Blumer of Woods Hole Oceanographic Institution told the conference that "major catastrophes in production and at sea, unburned fuel, spent lubricants, and a significant hydrocarbon contribution from the land (Municipal wastes) contribute about 10 million tons of oil to the world's oceans each year". According to Blumer, the immediate effects of oil spills—dead fish and birds— are followed by long-term damage to marine ecology. "Compared to the size of the accidents," he said grimly, "the present countermeasures against oil in the oceans are inadequate."

The scientists underlined Blumer's hard-hitting report, and scores of others, by recommending an immediate international survey to measure the extent and degree of marine pollution. They also urged establishment of a global monitoring system.

Such a system would involve a fleet of ships and a chain of automatic sensing buoys, plus aerial photography and satellite observation. The system would be used to spot the source of pollutants like oil, mercury and lead. It would also monitor oxygen levels in the seas and "red tides", the abnormal growth of phytoplankton that can choke out other forms of marine life. Obviously, such a system would need the political support of nations that now exploit and degrade the seas.

That is the best indication I can give that other nations are aware of the problem and are doing something about it. I hope the Canadian government will pursue this matter at the international level, because I believe that only at the international level can we hope to clean up pollution on the high seas. For these reasons, we cannot support the amendment moved by the hon. member for Comox-Alberni (Mr. Barnett).

• (5:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Finance—bankruptcy—measures to forestall further business failures; the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—requirement that war veterans allowance recipients apply for guaranteed income supplement; the hon. member for St. John's West (Mr. Carter)—Fisheries—convening of international conference on conservation of marine resources.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions and public bills.

PRIVATE MEMBERS' MOTIONS

REGIONAL DEVELOPMENT INCENTIVES ACT

DESIGNATION OF ELECTORAL DISTRICTS OF BATTLE RIVER AND VEGREVILLE

Mr. Cliff Downey (Battle River) moved:

That, in the opinion of this House, the government should immediately amend paragraph (q) of the Schedule to Regional Development Incentives Designated Region Order, 1969-1 to provide that the area comprised by the federal electoral districts of Battle River and Vegreville be designated as a designated region for the purposes of the Regional Development Incentives Act.

He said: In moving this motion to designate the areas of Battle River and Vegreville under the federal regional economic expansion program I am expressing a pressing necessity and, in a formal way, I hope to bring to the minister's attention the deep and urgent need for incentives and supportive industry in these rural areas. Every weekend I go home I find the situation has further deteriorated. Hundreds of farmers and businessmen have already been forced into bankruptcy. Many people who were formerly considered to be well established farmers

and businessmen now come to me and say it will be only a matter of time until they will be out of business. They can only live on depreciation and credit for so long because the day of reckoning comes. That day is fast approaching for the majority, and a percentage have already gone under.

Last October I made an informal visit to the Department of Regional Economic Expansion to discuss this whole matter. I was informed that there would positively be no redesignation until sometime in 1972. Since that time, however, we have seen an area in southeastern Ontario, and from Montreal to Hull, designated. I am wondering if their situation is really worse than that of certain regions in western Canada. I doubt that this is so. We should always remember that, as agriculture goes, so goes the nation. This has been proven throughout history. There is nothing in our present economic situation which would indicate that this situation will not repeat itself.

Last week some 2,700 employees of Massey-Ferguson were laid off, or there was an indication that they will be laid off. Many thousands more have been laid off in other industries in Canada's industrial heartland. There is nothing we can do for the industrial heartland of Canada which will improve the situation of the employees of Massey-Ferguson. However, if the agricultural industry were functioning as it should be, this situation would not occur. We must give top priority to the agricultural industry and other industries which support it if we are going to get the economy of this country on its feet.

My area of Battle River lies in the heart of the rapeseed area. A crushing and refining plant here, besides employing many people, would enable many more farm families to stay on the farm. Further diversification in respect of a readily saleable crop might be the key, because Canada was a net importer of oil seeds during the past year. If these rural people cannot get the degree of help which might be afforded them by being included as federally designated areas, they cannot help themselves. They are too far run down economically to generate the type of cash which would make it possible to establish plants of this size and description.

We have two designated areas in Alberta. One area exists in the riding of the Minister of Agriculture (Mr. Olson), the Medicine Hat area. This area, as most Prairie rural areas, should be designated. But I must ask myself why it was chosen over other areas. I have some comparisons of various centres in Alberta. I should like to present them to show the situation which exists in respect of the designated area of Medicine Hat and some of the towns in my riding including Camrose, Stettler, Wainwright, and another area which is not designated, Red Deer. Let us look at the population growth in these areas of my riding. At the outset I must say that they are dwindling. The 1968 figures are the latest I have for five centres including the designated area of Medicine Hat. These figures relate to the capital debt. Medicine Hat had a capital debt of $154 per person. Red Deer had a capital debt of $330 per person, almost double. The town of Wainwright in 1968 had a per capita debt of $195, with Stettler at $172. The latest figures I have for Camrose are for 1970. These figures indicate a capital debt of $270. Certainly, these figures would substantiate the necessity for designating these areas, particularly if there is justification for designating the Medicine Hat area.

Let us look at the taxable assessment per capita of these areas. In Lethbridge this assessment was, as of 1968, $2,115; in Medicine Hat it was $2,169. These are both designated areas. The taxable assessment in Red Deer for the same period was $1,811; in Wainwright it was $1,471 and in Camrose it was $2,044. For the same period of time the assessment in Stettler was $1,650. There is very little in these statistics which would indicate that these areas should not be designated as well as the area of Medicine Hat which, by the way, is also in my province.

• (5:10 p.m.)

I might refer to the number of building permits issued in order to give a further example of how this area is depressed, in the city of Camrose, in 1967 approximately $4½ million worth of building permits were issued and in 1970 the figure was just a shade over $1 million. In the past two years the amount of tax arrears in the county of Camrose has increased by approximately $120,000 to $546,603 as of December 31, 1970. This gives some indication of the number of people who are behind in their taxes. I suggest that unless something is done this property eventually will be taken over by the local governments.

Perhaps we might review the situation by provinces in respect of industrial incentives offered and accepted to illustrate the situation I have just outlined which exists in this western region. I will compare the situations in Alberta and Quebec because I believe this would be as good a comparison as any. Five per cent of the offers under the regional incentives program were accepted for Alberta and 36.5 per cent were accepted for the Province of Quebec. In the time period covered by this graph, 764 new jobs were created in the Province of Alberta and about 7,000 new jobs were created in the Province of Quebec. In respect of the Province of Alberta, 4 per cent of the offers under the regional incentives program were accepted and in respect of the Province of Quebec 35.4 per cent were accepted. If this is truly one nation and all sections are to be dealt with equitably, I fail to see the equity in this situation.

When we consider incentives, we must also consider the matter of freight rates. I mentioned the rapeseed plant and what it would do for our area. Such a plant, however, would be under a handicap from the start. There would be something like a 75 cent a hundred weight handicap on produce coming from this plant, and yet the people of the west pay the full shot of the freight on products produced in the east. I say we must have a review of the freight rate structure in this country if it is truly to be called one nation.

I had occasion to speak to a kindergarten teacher in the city of Camrose who reported that a survey of 25 students in her class shows that 19 of the families were on welfare. There is a terrific reduction of railway employees in this area because of branch line abandonments, stations taken out of operation and consolidation

of railway facilities. Coal mines for the most part are gone. There has also been a consolidation of the oil production which had developed in some of these smaller areas. Fifteen years ago in the city of Camrose I believe 350 families were engaged in the oil industry, whereas today the number of families is something in the order of ten. This is another indication of what is happening here. People are leaving the area. Where do they go? They merely go on the welfare rolls of the city. If the minister would consider increasing the regional incentives it might be possible for us to attract industry. After all, decentralization is something we must aim for in the future if we are to overcome the pollution problem.

There are predictions that in the cities of the future a third of the population will be engaged in eliminating pollution and looking after the services. I suggest that instead of designating areas which are already industrialized, such as the Montreal area, we would do well to take a look at these rural areas which probably are more in need than many of the areas from which there is a hue and cry. Sometimes it is possible in the agriculture business to hang on a little longer because of government credit programs and so on, but this does not cure the problem.

I draw these things to the attention of the minister. I appeal to the humanity in his soul and ask him to consider these people. Surely, he does not really want to depopulate these areas and have a nation of unemployed people and welfare recipients wandering aimlessly in our urban centres.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I had hoped to be able to make a few comments on this resolution that would be more interesting than the actual resolution. I sympathize greatly with the hon. member's reasons for presenting this motion. I wish I could support him completely, but it strikes me that the core of the criteria laid down in the act with regard to giving aid to areas would make it unlikely that the areas of Battle River and Vegreville referred to by the hon. member could be considered as designated areas especially in respect of Bill C-205. Even Bill C-205 probably is a little out of order. However, I do understand that designated areas have, by law, to be reviewed before June 30, 1972 which is only 16 months away.

An hon. Member: Let them starve for another 16 months.

Mr. Osler: I believe we should address ourselves to the question of whether we should be expanding the patchwork quilt of designated areas without taking another look at things.

Mr. McGrath: Why not designate the whole country?

Mr. Osler: If you would listen a little you might get a gleam of an idea. One of the gentlemen who intervened is a member from the east coast. I would think that he and I would be in complete agreement on the way to attack this problem. It would seem to me that he, the hon. member who introduced the motion, myself and many other hon. members from areas that are not in the very centre of the country have a great deal in common. If we are going to shout across the House at each other, we will never get anywhere. But if we sit down and try to discuss our points of view and how we might approach the problem, it may be possible that several of us together may get an idea that is good enough so that we can sell it to whatever government happens to be in power.

• (5:20 p.m.)

My point is that originally there were two provinces which got a great national idea about 100 years ago. They carried forward that idea, and out of it came Canada. But we have not had a great national idea since. The present government is pledged to the idea of regional equality of opportunity, and I think that what they are doing is great but it is not great enough. It will not give us regional equality of opportunity so long as the criteria on which we work are tied to unemployment figures. The hon. member who introduced this bill knows that the prime problem in both our areas is not unemployment but the movement of people. They move because there are better opportunities elsewhere. Certainly, there are the unemployed and I am not saying there are not, but there are not unemployed in the same sense that there are in other places. The problem on the east coast may again be a different thing. There is chronic unemployment there as well as in some parts of Quebec. We cannot use an omnibus bill based on the criterion of unemployment to solve these different problems. Supposedly, we are all pledged to giving people regional equality of opportunity. I resent the fact that in our province there has to be an exodus of people every year in order for them to have opportunities of employment. It is crazy that they should have to go to Toronto or British Columbia in order to get a job under ordinary circumstances. I am not talking about the time when there is more unemployment everywhere, but under ordinary circumstances this has to be and this does not help federalism.

We are supposed to have regional equality of opportunity. So, I hope that between now and the time when this review takes place we will all address ourselves to the idea of redefining our national dream and how we will achieve a regional equality of opportunity. We cannot come up with an answer indicating that Walter Gordon was right. I do not believe he was right. His idea was to close everything down and move everyone to Ontario because that is where the action is and not to waste our time with the Maritimes, the Prairies and other outlying regions.

Mr. McGrath: Who will pay their way back?

Mr. Osler: They might get back to these regions for a holiday. The answer must lie in a rededication to the national dream of our country for regional equality of opportunity. The CPR would never have been built if Sir John A. Macdonald had used his criterion for solving unemployment in the Prairies. There was no unemployment in the Prairies for the simple reason that nobody lived there, or only 15,000 people. If we do not reverse

the present trend, we will be back to the same position in the next few years.

People leave the Prairies because there is no equality of opportunity. The idea would be to close down the railway as well as all other transportation, and thus save money so that those who live in the centre can enjoy themselves better and be burdened with less taxes. I still say that if we are to have a federal country we must have federal policies which will allow these areas to grow. So, the hon. member who introduced this motion is dead on the mark. I disagree with him because I do not think his motion can work within the criteria of the legislation that exists. I say that we had better change those criteria. If the criteria rests on unemployment alone, every time there is unemployment there will be more unemployment at the centre than at the fringes because more people live there. So, more money will be put in there, and bigger unemployment will follow. I think it is a self-defeating exercise. We have to get the money out into the outlying areas so that the people living there have a fit place in which to live instead of being crowded into the centre and one little valley on the west coast.

This is why I have to admit reluctantly that I cannot support the motion. I think that we should all think of one other aspect, that is that when the time comes for the discussions with the provinces about the revision of this program, which I repeat is only 16 months away, let us do our best to make sure that these talks take place in the open, frankly and freely and that the federal government's policy is made known to everyone. If that takes place, those provinces which are reluctant to make difficult provincial decisions as to where aid is really needed, and where this policy should apply, will not be able to hide any longer behind the excuse that the federal government is reluctant to help them in this or that area. I know of one province—and I am not referring to my own province at present—which said they would just as soon duck the whole business of obtaining any kind of federal aid to improve areas because they did not want to make the difficult political decision as to what areas were or were not to have aid.

I suggest that the federal government should find parameters that are clearly defined so that the next time round the provinces cannot duck these responsibilities and the people will know what we are trying to do. It is up to us as politicians to make sure that the provinces agree with what we are trying to do. I suggest that what we will be trying to do will be to redefine our national purpose and achieve a real equality of opportunity in all areas and regions of Canada.

Mr. Don Mazankowski (Vegreville): I welcome the opportunity of seconding the motion proposed by my colleague, the hon. member for Battle River (Mr. Downey) and I welcome the opportunity of participating in the debate. I am sure the Minister of Regional Economic Expansion (Mr. Marchand) and for that matter his parliamentary secretary (Mr. O'Connell), will not find it surprising that I wholeheartedly support this motion. I believe they are both very much aware of the continued efforts and representations which I have made to them regarding the very urgent and pressing need for this kind of program in my area of Alberta.

I do not want to go into detail to reiterate the critical need for supplementing the declining agricultural industry. My colleague, the hon. member for Battle River, has touched on that. I only want to say that in the past three years we have seen net farm income dwindle to an all time low, a figure of $1,325 per farmer in the province, a decrease of more than 50 per cent in the past three years. This comes at a time when the cost of living components are at an all time high. Therefore, it becomes abundantly clear that our economic welfare is seriously impaired to the extent that not only those engaged in agriculture are hurt but those who are engaged in supplying goods and services to the agricultural industry are affected disastrously as well.

It can be said that this government has displayed very capably a lack of dedication and determination to promote and maintain a strong and viable agricultural industry in this country. I submit that it has fallen victim to international pressures, to consumer pressures, and to political pressures, all at the expense of the farmer and of the rural Canadian community. Unless this government rededicates itself to the rural lifestyle based on agriculture, there is very little hope for the survival of many of our smaller, and for that matter larger, rural centres.

Assuming that the government is not determined to look on agriculture as a national asset and hence develop appropriate programs aimed at promoting and maintaining the industry and its people, we are faced with the task of looking for alternatives which must be geared to preserving our rural communities.

Employment opportunities must be provided. A program of diversification is needed. A decentralizing process must take place, and people must be discouraged from flocking to our cities and compounding the problems which exist there. I say that in order to do this we must attract industry to the rural centres and, in Alberta, for example, to centres other than the cities of Calgary and Edmonton. We have a population of over 1½ million people in Alberta, over half of them located in those two cities. It is ludicrous to allow this trend to carry on. It is in this tone that I endorse the motion and join in the appeal for serious consideration to be given to the submissions contained in it.

• (5:30 p.m.)

What should be the role of the Department of Rural Economic Expansion in dealing with present developments in rural Canada? Many studies have been made. I refer particularly to the Canadian Council on Rural Development which made some very specific recommendations to deal with the question and put the whole matter of the rural problems of Canada into proper perspective. But we have heard nothing of the minister's reaction to those recommendations, nothing that would lead us to believe that rural development is a priority of the department.

I believe that officials of the department have illustrated, both in the past and in the present, that they are dedicated to a program of urban industrialization, without sufficient consideration being given to developing a balanced degree of urban-rural growth. If the department were to consider seriously overcoming the imbalance of rural-urban growth, there is justification for providing industrial incentives to all rural areas of Alberta. I suggest that until the growth and development of rural areas becomes a matter of top priority within the department, the increasing gap between rural and urban dwellers will continue to develop, compounding our social and economic problems. May I simply recall the words of President Nixon when he spoke to Congress early in 1970:

> We will carry our concern with the quality of life in America to the farm as well as the suburb, to the village as well as the city.
>
> What rural America most needs is a new kind of assistance. It needs to be dealt with, not as a separate nation, but as part of an over-all growth policy for all America. We must create a new rural environment that will not only stem the migration to urban centres but reverse it.

I think those were well chosen words. They certainly do apply to problems of rural Canada. The purpose of legislation administered under the Department of Regional Economic Expansion was adequately spelled out: to assist in the development of Canada, to provide equal opportunity for all Canadians, to overcome slow-growth areas, to provide industrial expansion and to provide jobs.

Time and time again the minister has reiterated the need for a large degree of flexibility to develop the kind of program suited to the specific need. He also stated that common sense and human needs were matters that would be considered as well as statistics and figures when adopting the designated regions; and because he was given large discretionary powers he also stated that he had authority to extend aid to any kind of commercial operation when it was required for the successful development of a special area. It was with this kind of spirit that we as members, and as Canadians, looked forward with anticipation to the implementation of the bill. But what has happened? We have seen the plight of agriculture. The minister has looked upon this as a social problem rather than an industrial problem, suggesting in somewhat evasive terms that a logical solution cannot emanate from the ambit of this act.

The minister cannot understand that agriculture is a basic industry and that when it is adversely affected, correspondingly it affects the welfare and livelihood of practically every citizen living in an area, because their degree of success or failure is commensurate with the success or failure of agriculture. When we consider that every $1 worth of agricultural production has a mulitiplier effect of $7, it becomes abundantly clear that the vast majority of Albertans are vitally concerned and connected with agriculture. It is with this rationale, I suggest, that the minister should review his position again, particularly in view of the fact that agriculture is not a priority item with the government.

In reply to a letter which I directed to the minister on October 10, 1969, raising objection to the exclusion of the area which I represent, the minister stated that in his opinion a program of incentives to secondary industry would not solve the problems of the rural regions to which I referred. He also said he conceded that there were difficulties facing Prairie agriculture and that appropriate measures would have to be adopted to overcome those difficulties. He said:

> This is a matter which we have under discussion with the provincial governments. We are talking about the kind of programs that my department can best employ to ease the necessary adjustment process and cushion its effects on the people of the Prairies.

I am sure I need not remind you, Mr. Speaker, that these discussions have been going on for more than a year and a half, and we are still waiting for such a program. I quote the minister again:

> Naturally, there must be increased industrialization on the Prairies if people leaving the farm are to find alternative employment. However, we must face the fact that incentive programs of this kind, no matter how good, cannot attract new plants to every small community.

I do not believe that anyone in this House expects each small community in rural Canada to attract industry. But I can assure you, Mr. Speaker, that my area has the kind of communities that could, without difficulty, absorb secondary industry, such as Lloydminster, Vegreville, Vermilion, St. Paul, Smoky Lake, Vilna, Two Hills, Lamont, Mundare Mannville, Tofield and others. These could to good advantage accommodate industries which presently locate in Calgary or Edmonton. These communities have the basic infrastructure, the necessary service facilities, adequate educational, social and cultural facilities tailor-made for medium sized secondary industry. That is what is desperately needed if these communities are to survive and be able to maintain their schools, their roads, their required facilities, their hospitals and all the other things which are necessary components of an adequate standard of living and quality of life, such as cultural, social and recreational institutions.

To the Prairies, and especially to the rural areas, the program of regional economic incentives has been largely a political tool, with the spokesmen of the government paying mere lip service to the real rural problems. The minister gives the impression that his department is not dedicated to the solution of the problems of Prairie rural Canada. However, on the platform he masterfully turns his department into a very useful political selling tool. Here I refer to a speech that the minister made in Meadow Lake, Saskatchewan, early in February when he acknowledged the fact that there are serious problems in the west. However, his speech was full of pious platitudes and consisted basically of political jargon. I submit that if the minister is sincere about coping with the problems, he has within the ambit of the act the necessary framework within which to provide adequate programs to compensate for the problems with which we are now faced.

Adding to the present aggravations is the economic climate which has been developed during the past year

because of a policy of tight money and deliberate recession. This has taken its toll in a number of centres. I would like to deal with one such centre which has been dealt a very severe blow, originally because of the department's disregard for much needed assistance to an industry which was an integral part of the community and currently because of the economic climate and the uncertainties which have developed from it. I refer to the community of Two Hills and the phasing-out of the operations of Chemcell Ltd. which provided employment opportunities for some 100 people. The plant there commenced operations in the early fifties. It grew and developed and became a fully integrated part of the community.

In February, 1970, Chemcell announced cutbacks in its operations because of economic circumstances. Also, because new technological methods were discovered, the company would have had to undertake a huge expansion and modernization project in its chlor-alkali operation involving the expenditure of millions of dollars. Because the plan was located on the south bank of the North Saskatchewan River it was ineligible for assistance under ADA. In assessing the situation the company found it could not undertake this massive expansion without some form of assistance and, as a result, decided to phase out that operation, which resulted in the loss of some 30 jobs.

• (5:40 p.m.)

I submit, Mr. Speaker, that if at this point of time consideration had been given by the government to the matter, it is conceivable that the operation would not only have survived but would have become larger, because there was potential for the manufacture of two other products which would have had the effect of providing more jobs. This in itself has been a serious blow to the people. We now see one year later, on February 23, 1971, that Chemcell announced its intention to close down the plant completely as well as part of its Edmonton operation, causing the loss of some 300 jobs and leaving all those who had been employed in the Two Hills plant jobless. The reasons for the closure were set out in the Edmonton *Journal* of February 23, 1971, as follows:

> The company placed the blame for its decline in earnings in 1970 on the federal government's anti-inflation measures, continued intense import competition in the chemical fibre and fabric product line, chemical plant problems, escalating costs, the General Motors strike, the unpegging of the Canadian dollar and higher interest costs.

In addition, we were faced with the closing down of the Highland Produce processing plant last summer which employed some 40 native people. That added further to the economic plight of the community. The Highland Produce processing plant was forced to close for economic reasons which were largely prompted by the actions of a vertically integrated co-operative conglomerate. The impact on this community was widespread. The result was some 140 people without jobs in a community of 1,200. If such a rate of unemployment had prevailed in a city like Edmonton, it would have meant that perhaps something like 47,000 people would have been out of work in a community of some 400,000. Surely this is sufficient evidence to establish the need for a positive course of action to alleviate the hardships of communities such as this. I submit, Mr. Speaker, that under the programs of the Department of Regional Economic Expansion and, specifically, of the Regional Incentives Development Act, appropriate measures could be introduced. My hon. friend from Battle River has proposed but one.

I believe that my submissions subscribe to the criteria which the minister said would be paramount in establishing designated regions. These include the human factor, the common sense factor and the statistical factor. I submit that the government ought to take positive action to assist these areas. The present legislation under the Department of Regional Economic Expansion has the required flexibility. It has been demonstrated that the program can meet certain needs. My colleague has mentioned the Montreal and Cornwall areas. The hon. member from the Winnipeg area has suggested that if we adopted this measure, it would water the program down too much. Perhaps the program already has been watered down too much. Nevertheless, certain areas of central Canada still need assistance. The government could act if it wanted to and it should: it has the finances; it has the legislative framework. I suppose its only reservation is what political benefit will accrue to the present administration.

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, I listened with a great deal of interest to the speeches of the mover and seconder of this private members' notice of motion because I have been involved in similar concerns within my own riding. My riding contains areas which are quite prosperous by Canadian standards and other areas which are far below that standard. I listened very carefully to the speech of the hon. member for Battle River (Mr. Downey) and that of the hon. member for Vegreville (Mr. Mazankowski). It seems to me that neither member addressed himself to the fact that in these matters two governments must make a bargain. They should feel fortunate that there is in Alberta a government which seems interested in making a bargain on these matters.

From my observations—I shall deal with this later; and to some extent I fault the department for this—there has been a serious and damaging lack of information concerning the operations of the Department of Regional Economic Expansion, and this concerns particularly my home province of British Columbia. I must say that judging from what I hear being said at home from time to time, I find it extremely hard to understand some spokesmen of the British Columbia provincial govenment who are criticizing the federal government for inaction in the field or special area designation. I am not, of course, referring to the regional incentives program, Mr. Speaker, which was set up for all provinces, British Columbia included. In our case, the Kootenay regions were established by the federal government as designated areas. This has been very, very helpful to these areas from the point of view of unemployment. But I refer to special area designations.

It seems to me that the spokesman of the provincial government ought to know how this legislation applies.

The other nine provinces do not seem to have any difficulty in understanding the legislation; they seem to understand it well enough. All the other provinces have taken initiatives to bring federal incentive grants into their provinces in order to assist development in the specially designated areas. The most recent province so to benefit was Alberta, the home province of both the hon. member for Battle River and the hon. member for Vegreville, where federal grants are aiding in the establishment of a huge pulp development in the Great Slave Lake region, an area designated by provincial government initiative—I stress this—by provincial government initiative.

So everybody seems to be in step except British Columbia. One wonders why. One also wonders how some British Columbia government spokesmen can bring themselves to suggest to the people of B.C. that it is the federal government which is refusing to establish special areas when they know—and I suggest they must know—that these initiatives everywhere else in Canada begin at the provincial government level.

May I give the House an example of what I mean from my own experience. In my riding of Coast Chilcotin there is a disadvantaged area centering in the community of Lillooet and extending into the riding of the hon. member for Fraser Valley East (Mr. Pringle). The residents of this area, Indians and non-Indians, spent money from their own slender supply of cash on an economic survey of their area. They were seeking some form of special assistance. They received a letter from the minister of the British Columbia government having responsibility in these matters. He congratulated them on their brief. Then what happened, Mr. Speaker? After the congratulations, nothing happened. There was not one move from the provincial government to inaugurate talks with the federal government in order to get federal aid for that community.

Last summer the provincial government brought to B.C. some federal officials and a tour was made of several areas of B.C. It was suggested that federal assistance of a slightly different nature from that provided in the special areas designation program be supplied to those areas. This resulted, indirectly, in the recent program of special loans to the provinces, in which it will be recalled that the province of B.C. received one of the highest per capita allotments of any province in Canada—roughly speaking, $19 per person, compared with approximately $12 per person in the province of Quebec, another area hard hit by unemployment. In this tour, what attention did the provincial representatives direct toward the Lillooet area? The answer is simple, Mr. Speaker—none! The federal representatives were left to make their own way into the Lillooet area if they wished. There was no provincial initiative.

I do not know if special area designation is the most appropriate form of aid for this region. Possibly there are provisions in the ARDA agreements which could be better applied. However, if the B.C. government's past record of performance in ARDA sets any example, citizens in the Lillooet region had better not hold their breath while waiting for Victoria to act. Practically every cent of federal ARDA funds ever sent into B.C. has gone into a comparatively small part of the province, the dry lands of the Okanagan and the Similkameen area. For the Indian communities there has been nothing as far as I know.

How does this record compare with that of other provinces? I turn to Saskatchewan. That province, Mr. Speaker, far less affluent than B.C. and far smaller in population, has nevertheless undertaken major projects to assist Indian communities under the terms of the ARDA agreement. May I refer to two of them. One is the Cut Bank training scheme, where $1.5 million of federal funds will join local money in providing technical training to Indians. The other is the Last Oak Park project where, with $3 million of federal aid added to Indian band funds and provincial aid, it is proposed to establish a huge and, we hope, profitable recreational area. There was obtained for the assistance of Saskatchewan Indians $4½ million of federal aid, thanks to the energy and initiative of the provincial government.

For the B.C. Indians, nothing has been obtained. Mr. Speaker, British Columbia, under the terms of ARDA, could have taken up $2 million in federal aid by the end of this month. Up until today, I am informed, there have been applications from B.C. for only about $1,200,000 of those funds. There is $800,000 worth of assistance available for which B.C. has not yet even had the energy or the initiative to ask. I am very concerned about the position of the government of British Columbia, particularly when it is related to the attitude of the nine other provinces of Canada, in these matters. I do not hold the Department of Regional Economic Expansion blameless. It is up to this federal department to put the truth of the matter squarely before the people of British Columbia.

• (5:50 p.m.)

In this respect, I am informed that the British Columbia government recently asked the Minister of Regional Economic Expansion (Mr. Marchand) to release certain selected correspondence between the two governments on the subject of regional aid. This is not good enough. All the correspondence on this wide subject should be released. All lack of correspondence in relation to any area should thus be revealed to the public. Let there be full disclosure in this matter, Mr. Speaker, because until there is, misinformation and lack of information will dominate the public's attention. The public, particularly the public of British Columbia in this case, deserve to know the facts.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I wish to make a few remarks in response to the mover and seconder of this motion. I think all hon. members, including those like myself who represent major metropolitan centres, have a natural interest in the economic and social development of their areas. It would be very normal to expect many members to seek the inclusion of their constituencies in the designated regions. The mandate laid on the department by Parliament is to look at

the highest priority areas in a broad national perspective in order to reduce broad regional disparities across Canada.

In the Atlantic provinces over long periods of time personal incomes persistently run 30 per cent or more below the national average. Persisting over long periods of time, there is unemployment running more than 50 percent above the national average. It is necessary to look at these broad regions and put the scarce resources which are available to this government to work in these and other parts of the country where the highest priorities lie.

The criteria for designation relates to regions where existing productive opportunities are exceptionally inadequate. I do not want to be throwing cold water on the areas that the two members represent, but the economy of the province of Alberta is outrunning the national average. In all fairness to other parts of Canada, and under the mandate of this department, we ought to expect provinces in that kind of economic and financial position to do something about regional disparities within their jurisdiction.

Also, without trying to raise invidious comparisons, in the province of Ontario there is a very major regional development program paralleling the efforts that the federal government is making and filling in where the federal government is not active. There is the same kind of provincial activity in the province of Manitoba where there is a development agency. In Ontario, regional governments are emerging to cope with the development problems of slower growth areas within a rapidly growing provincial economy. Thus, some of the areas that need stimulation require provincial as well as federal action.

What is happening in the province of Alberta? I must disagree with the hon. member for Vegreville (Mr. Mazankowski) that the department or the government neglects the problems of agriculture. I think we all appreciate the strains on the agricultural economy. Hon. members from urban areas appreciate that a great deal of agricultural legislation is being presented to this House; grain, marketing and dairy legislation, the Farm Credit Corporation Act, the Farm Syndicates Credit Act, and so forth. National efforts are being made to help the agricultural economy to adjust.

Mr. Downey: Will the parliamentary secretary permit a question?

Mr. O'Connell: Not just now. I will accept the question later. Within the Department of Regional Economic Expansion there is concern for a major rural area in the southern part of Alberta, not just Medicine Hat but the whole band across the southern part of Alberta—Brooks, Drumheller, Medicine Hat and Lethbridge. This is an opportunity to help in rural adjustment and to attract industry to diversify, as suggested by the hon. member for Vegreville, and form growth poles other than Calgary and Edmonton. There is, therefore, a special concept of assistance to those rural towns in Alberta and it has been paying off, not only in Lethbridge but in other centres. Hon. members will recognize the truth of this if they look at the industrial incentive offers that have been made in Alberta. Many of the industries are based on local resources, meat packing, potato growing and other resources which are of considerable interest to the rural economy.

The hon. member would like to ask a question. I would like to hear it before we close.

Mr. Downey: Is the parliamentary secretary aware that the industrial grants only amount to 10 per cent, whereas there is the possibility of a 50 per cent grant under the federal dual incentives? There is a rundown condition in the rural areas, even though the oil business in Alberta may have stimulated the general economy to some extent. The rural areas are just as depressed as anywhere else. In view of this, does the parliamentary secretary not think there is a pressing necessity—

[*Translation*]

The Acting Speaker (Mr. Richard): Order, please. The hour appointed for the consideration of private members' business has expired, and I now leave the Chair.

[*English*]

Those of us who have endured the recent hardships of a long, white winter were quickly turned to dreaming of the joys of spring when charming young ladies presented us earlier with yellow daffodils from Victoria. I was reminded of some lines I had read as a schoolboy; they are by William Wordsworth:

I wandered lonely as a cloud
That floats on high o'er vale and hill
When all at once I saw a crowd,
A host, of golden daffodils.

Some hon. Members: Hear, hear.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA SHIPPING ACT

AMENDMENTS RESPECTING DISCHARGE OF POLLUTANTS BY SHIPS

The House resumed consideration of Bill C-2, to amend the Canada Shipping Act, as reported (with amendments) from the Special Committee on Environmental Pollution.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Boulanger: The hon. member for Comox-Alberni (Mr. Barnett) is disappearing. Where are all the Socialists this evening?

Mr. Knowles (Winnipeg North Centre): I believe we are on Bill C-2.

Mr. Bell: Explain.

Mr. Knowles (Winnipeg North Centre): It is entitled "An act to amend the Canada Shipping Act". I also believe that we are at the report stage and considering an amendment proposed by the hon. member for Comox-Alberni (Mr. Barnett), amendment No. 3 at the back of today's Order Paper.

Mr. Boulanger: You don't say! Tell us something really new.

Mr. Knowles (Winnipeg North Centre): If my hon. friends opposite would be a little more helpful with their interjections, it would be appreciated; or if one or two hon. members opposite would volunteer to assist us in asking for a recorded vote on this amendment, then of course my speech could go down the drain. This is a day of much activity in Ottawa and on Parliament Hill. As hon. members are aware, the Canadian Labour Congress is entertaining members of all parties at the Civic Centre, so the ranks are pretty thin on the government side of the House, as well as over here. However, in a few minutes we shall have the required number—

Mr. Speaker: Order, please. Perhaps I should help the hon. gentleman by interrupting him for a moment to suggest that at this point he might address himself to the bill before the House, and move from the Chateau Laurier to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I am very happy to do that, Mr. Speaker, and if you have any further interjections they will help me out, too. I might say that you are really asking me to move from the Civic Centre to the House of Commons, because it is at the Civic Centre that the CLC reception is taking place.

Seriously, Mr. Speaker, the purpose of the amendment is to extend the area of the waters of our oceans over which Canada will take responsibility for the prevention of pollution. As hon. members are aware, the bill that is before us, in the form it came back from the committee, provides in subclause 2 on page 3 four areas wherein the regulations would apply.

• (8:10 p.m.)

Mr. McGrath: Would you read them for us?

Mr. Knowles (Winnipeg North Centre): Yes, I would be very happy to do that. It provides:

> Except where otherwise provided in this part or in any regulation made thereunder, this part and any regulation made thereunder apply
>
> (a) to all Canadian waters south of the sixtieth parallel of north latitude—

Mr. Boulanger: Where is that?

Mr. Knowles (Winnipeg North Centre): The hon. member for Comox-Alberni (Mr. Barnett) in his proposed amendment does not change that. Paragraph (a) of subclause 2 would be the same under the proposed amendment as it is under the bill as it stands. Having said that, I should say a little more in order for these remarks to make sense. Paragraph (a) stays as it is and the present paragraph (c), regarding the fishing zones of Canada, becomes paragraph (b). The present paragraph (d) stays as it was. My friend from Comox-Alberni writes in a new paragraph which takes the place of the present paragraph (b), but it becomes (c). It is that paragraph that calls for us to extend our control and concern over the waters surrounding this country to the extent of 100 miles. That is what this amendment is all about.

Obviously, there is much more involved than I could say but it is obvious that at this point it is not necessary for me to do so. I hope the amendment of my hon. friend will receive the support of the House so that this effort of mine will have been worth while.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to make a few remarks in respect of the amendment of my colleague.

An hon. Member: You are not even prepared.

Mr. Rose: I am sorry that I did not hear the comment from across the House. It appears to me that at least one hon. heckler over there is a boy soprano, and the next time I form a choir I will get in touch with him right away.

In any event, I should like to support the amendment of the hon. member for Comox-Alberni (Mr. Barnett). I referred to this matter during my speech on second reading of this bill back in October of last year. This is particularly pertinent for a number of reasons which my hon. friend covered at great length this afternoon. I am not prepared to repeat his arguments because I feel he covered the subject comprehensively. He dealt with every possible facet of the bill and I think the House will forgive me if tonight I do not repeat all those arguments.

What concerned us last October, and this concerns us now, is the problem of tremendous ecological violation that might be caused by the spillage of oil through negligence or accident because of the increasing concentration of oil tankers off our shores. I think it might be important to remind the House that the probability of oil tanker spillage is not isolated. Let me document the facts. I am quoting from a publication of the Canadian Scientific Society for Pollution and Environmental Control. It was founded in Vancouver but is now moving toward being a national organization. This publication maintains that while the *Torrey Canyon* grounding off the British coast, and the *Arrow* off the Nova Scotia coast, represent tremendous pollution problems, they were not the only ones of importance in the last two years. They were disasters to ecology, but there have been many others.

The brief points out that on February 13, the *Delian Apollon* struck the side of the ship channel approaching

St. Petersburg, Florida, gashed its hull and released large quantities of bunker C fuel. That was on February 13. On March 3, the 58,000 ton Liberian tanker *Oceanic Grandeur* was holed in Torres Strait. The report of this Liberian tanker amazed me somewhat because I was not sure they had a marine navy, or whether this involved another matter of international flags of convenience such as the ship off Chedabucto Bay. On May 5, the oil tanker *Polycommander* caught fire off the coast of Spain and its cargo of 150,000 tons escaped into the sea. The Spanish motorship *Monte Ulia* rammed a jetty of Mobil's Coryton refinery in the Thames estuary, fracturing a pipeline and releasing 400,000 kilograms of oil into the sea. On October 23, the tankers *Pacific Glory* and *Allegro* collided near the Isle of Wight. The *Pacific Glory* was left stranded, and burned for two days. Also in October, the tanker *Manhattan,* which is the tanker that attempted to prove the Northwest Passage was usable by tankers, ran aground with a full cargo of 108,000 tons in the Persian Gulf.

The figures I have mentioned document the severity of this problem. We can envisage now the situation we will face with the development of the transshipment of oil by tankers. Obviously it is increasing. More and more people are becoming concerned about this fact. There is a greater army of environmentalists being mobilized to protect what they regard as our ecological future, future life on this planet. This threat has become of greater concern because of public hearings about the proposed Alaskan pipeline from Prudhoe Bay to Valdez. If this is authorized by the Department of the Interior, we will have not just one or two tankers coming down the west coast of Canada but a tremendous concentration.

In supporting the motion of my hon. friend, let me say that the motion implies that if we can keep these tankers far enough off our shores we will have some hope of averting a serious ecological disaster on the west coast. I am sure some hon. members on the other side of the House will say that 100 miles is extending the distance too far out in respect of Canadian sovereignty. Let me point out that this is not an isolated recommendation. Many other spokesmen have suggested that this problem should be viewed in consideration of the danger of disaster to the ecology of our Arctic area. I feel it would be of great service to the world if we moved unilaterally in declaring this kind of standard for our whole coastline as we have for the Arctic. I am convinced that a more moderate ecological zone would be no less sensitive in marine disasters than the Arctic.

In supporting this amendment, I think we are implying the knowledge that there will be disasters as long as oil is transshipped through pipelines to tankers and from tankers to oil refineries. Surely we can maintain sufficient safety standards to ensure that the kind of disaster which will ultimately happen is minimized and delayed as long as possible. We can delay this through rigourous safety standards. Certainly we can ensure that any ship whose cargo is bunker oil is equipped with the proper navigational aids and the kind of internal construction that will minimize the risk to our environment involved in an oil spill occurring not through an act of God but through negligence or accident.

• (8:20 p.m.)

As Dr. McTaggart-Cowan, who was in charge of the Arrow clean-up pointed out, if we can establish corridors for the transportation of our air traffic, certainly it would be easier to establish similar fixed corridors for the transportation of oil. We should ensure that pilots who are familiar with the region are required, as a matter of course, to make certain that any carrier of this potentially serious kind of pollutant does not take shortcuts and thus incur risks.

Dr. McTaggart-Cowan has a very interesting set of figures which he revealed to this House on November 5, 1970, in his report. Of the need for traffic control, Dr. McTaggart-Cowan says:

> The world record is appalling. I have firm figures for the last six months of 1969. Six hundred thousand tons of tanker went to the bottom. That is the equivalent of roughly 33 *Arrows*—

Mr. Speaker, we are really only beginning to transport oil by tanker. There are some tankers now of 50,000 tons and up to 100,000 tons. There are tankers on the drawing boards which will run as high as 500,000 and 600,000 tons. When we consider the possible devastation, it is no wonder my hon. friend from Comox-Alberni suggests we keep these tankers as far as possible off the Canadian west coast. Someone will say that you can keep them 100 miles off the Canadian west coast, but what will you do when they come into international waters around Puget Sound adjacent to the estuaries of important rivers, notably the Fraser, and probably enter what are the only Mediterranean-type climate seas in Canada? My reply is that we would like to ensure the minimal possibility of damage.

If we have stringent enough regulations in respect of the construction of tankers which travel from Valdez, Alaska, to Cherry Point—if that is where the tankers are to be used—at least we can be reasonably certain that when they get into the international waters of Puget Sound, where devastation could be, to coin a phrase, devastating, at least from that point of view we would have done all in our power to maintain the kind of safety standards which I believe are demanded by this growing threat to marine environment.

We know the minister went to Brussels last year. He was rebuked. The companies which dominate IMCO told him they would not agree to the kind of international convention the minister put forward. The minister came home and said in effect, "We will go it alone". The minister has gone it alone at least out to 12 miles. We would like to see the minister at sea more than 12 miles. We have seen the minister at sea a number of times in this House. We would like to see him much further out, for the reasons I have mentioned.

Mr. Jamieson: It is only you people who can walk on the water.

Mr. Rose: I am satisfied, Mr. Speaker, that some of us whom the minister regards as lightweights could walk on the water, but there is no possible chance for the minister to walk on the water. His feet are too small, Mr. Speaker.

We know IMCO is dominated by the shipping companies, and we know IMCO will not voluntarily improve the safety standards of the ships of its members. What we need here is a really tough bill. The lobby will come to the committee, as it did, and tell us that if we do this or that we will not get the number of tankers, in the quantities we need for offshore oil, even coming to Canada.

We know perfectly well that if there is a profit to be made, these ships will be here. They will come into Dartmouth, the Burrard Inlet and anywhere they can make a buck. I am quite sure Canada can take a substantial world lead as it did in respect of Arctic sovereignty and the Arctic pollution bill. It can take a tremendous lead in this respect to improve the kind of safety standards available in order to make shipping all over the world more safe. I am not going into the matter of flags of convenience and people hiding behind the same, preventing us from finding out who owns a ship such as the *Arrow*. I will say, however, in respect of unlimited liability, that shipping companies and insurance companies will not assume the liability. It will be assumed by the general public. If there should be an oil spill off Vancouver Island, guess who will assume the liability?

An hon. Member: Canada.

Mr. Rose: Certainly. I am glad to hear from the senator on the other side: he has answered my question. Why should the people of Canada assume that liability? There is no reason for it. Not very many people realize that the world's sea life regenerates on the tide flats and river estuaries and these are precisely the areas which are being most threatened now by the Prudhoe Bay deal. We need a good, tough bill and a good, tough minister who will say he agrees that we need to extend our jurisdiction for pollution control purposes beyond the 12-mile spit that was described earlier today to a reasonable distance so that Canadians can rest assured that their minister, the Minister of Transport (Mr. Jamieson), of whom they are so proud, will take a leading role in this very important problem.

Mr. Speaker, I know the minister has been convinced, because I saw him attempt to rise a moment ago. I am looking forward to his remarks as soon as I sit down.

• (8:30 p.m.)

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to take this opportunity to ask some questions of the minister regarding the recent announcement of the Minister of Fisheries and Forestry (Mr. Davis) concerning the 12-mile limit. I will not detain the House long. I want to know from the minister exactly what new government policy has been invoked by the announcement of the Minister of Fisheries and Forestry last Thursday in the House when he said the following in reply to a question. I quote from page 3741 of *Hansard*:

> A ruling has been made that all Canadian trawlers must stay outside 12 miles from shore, and this applies particularly off the west coast of Newfoundland. These rules applying to our own trawlers will automatically apply to all foreign vessels as well.

There is a certain amount of misunderstanding in Newfoundland with respect to this question. I am sure the minister has read the Newfoundland weekend papers, as I have, and he will readily admit that the misunderstanding is there. Perhaps this might be a good opportunity to clear up that misunderstanding, because the 12-mile limit issue is relevant to the amendment now before the House; indeed, it is relevant to the whole act since the operative clauses of the act apply within the areas defined as the 12-mile limit.

The question I would put to the minister is: What arrangement has been made with the French authorities with respect to their jurisdiction over the islands of St. Pierre and Miquelon? Can we hope there has been agreement with the government of France in this regard? Perhaps, also, he can define what the agreement is and how we get around the fact that the islands of St. Pierre and Miquelon are within 12 miles of the coast of Newfoundland at one point, making the drawing of the 12-mile limit following the sinuosity of the coastline almost impossible without some arrangement with the government of France.

There is no question, of course, about the west coast of Newfoundland, and nobody questions it at all; it is a very simple matter. But when you get to the south coast of Newfoundland, taking in most of the minister's own constituency, this is where the problem arises and this is where a great deal of foreign fishing activities take place. This is where the great winter fishery takes place, and this is the area of great difficulty, the one area which poses a real dilemma to the government of Canada with respect to the 1964 statute.

To clear up the misunderstanding that is in my mind at present and which appears to be prevalent in Newfoundland also, perhaps the minister might want to take this opportunity to clarify what seems to be a rather ambiguous situation. My question very simply is: Do we have a 12-mile limit off the south coast of Newfoundland and, if so, what arrangements have been made with the government of France?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in so far as the question of the hon. member relates to fisheries lines and to the whole question of the limit relating to fisheries, it would be more appropriate for the hon. member to put the question to the Minister of Fisheries and Forestry, who has responsibility in the matter and who is in day to day touch with it. I have a special and direct concern in so far as the pollution issue is concerned. However, I will try to elaborate and to enlighten the hon. member, with the qualification that I hope he will understand that it is purely and simply a layman's interpretation and that I am merely giving him my understanding of the situation. If it happens that the

legal position is somewhat different, I am sure he and all hon. members will understand.

As to whether or not there is a 12-mile limit off the south coast of Newfoundland, the short answer is yes, for the majority of the distance from, let us say, Cape Ray or Port aux Basques, generally speaking, along the south coast eastward. There is, of course, as the hon. member knows, the geographic problem that roughly speaking off Placentia Bay there are the islands of St. Pierre and Miquelon which are the property of France. So that in terms of the area between what might be described as the northern coast of St. Pierre, that is, the coast of St. Pierre nearest to Newfoundland and the southern part of the Newfoundland coast—if my hon. friend can visualize what I mean—according to the conventional way of drawing any sort of national lines or fisheries lines, the distance is equidistant between the two territories which in the event belong to different countries, that is, on the inside part.

So if you can still visualize the map, it would mean that as one approached from the west, coming east along the south coast of Newfoundland at the point where St. Pierre occurs from a geographic point of view, the line would be equidistant between St. Pierre and Newfoundland. This leaves a region on the southern part of the islands of St. Pierre and Miquelon, and here I would assume—I have to remind hon. members, again, that I am not a legal authority in these matters—that whatever the French government's position is with regard to territorial waters, presumably they would assert that as being their territorial waters in any part of their coastline which did not have a relationship to the coastline of Newfoundland, that is, where the Atlantic Ocean is beyond that. That, as I understand it, is the position, although I do emphasize again that this is purely a laymen's judgment.

On the question of the application of this act in the area relating to St. Pierre, neither I nor, to my knowledge, the government of Canada had any direct negotiations with the government of France with regard to pollution matters. The hon. member may recall that he asked me a somewhat similar question during the second reading of this bill and I replied that we had a more or less ad hoc arrangement with the government of St. Pierre, in the local sense, that we would assist them in the event that there was a pollution problem around their coastline.

I believe basically that is the position as it exists at present. With regard to this measure, I would certainly be prepared, in so far as my own responsibilities extend, to determine whether or not the government of France acting through its representatives on the islands of St. Pierre and Miquelon would be interested in making some sort of arrangement with us from a pollution standpoint which would have the effect of closing what is at least a theoretical gap in the lines, although in practical terms it is not my opinion that this would be a serious problem for us in the event of an oil spill in that region.

I say this because I believe common sense would prevail over other considerations and that under the normal rules, if none other than those of decency, we would assist each other in the event of an oil spill or the threat of an oil spill in that area. But in an effort to formalize such an arrangement I would be quite prepared to explore, through the usual channels of the Department of External Affairs and the government of France, the willingness of that government to work with us jointly on this matter.

I regret that I cannot be more explicit in terms of marine law for the benefit of hon. members, but I hope that what I have said clarifies the matter to some extent. To the best of my knowledge, it does constitute the correct situation.

While I am on my feet, I believe, with regard to the amendment that is before the House, that I cannot do better than reflect the views expressed this afternoon by the hon. member for South Shore (Mr. Crouse), that is, to say that at present a unilateral decision on the part of Canada to extend its jurisdiction below the sixtieth parallel to 100 miles would be totally unacceptable to the international community. It would not in fact be observed, in our opinion. The wisest course, we believe, is to continue on the way we have been going up to now, and that is to attempt to negotiate with the international community some sort of agreement that will in fact solve the problem which has been quite properly defined by the hon. member who proposed this amendment and by those who have supported it.

• (8:40 p.m.)

There is no question about the fact that it would be advisable and useful to have some form of international agreement to cope with the potential situation to which they have referred. I recall that one hon. member said this afternoon that there is no magic in 100 miles. That is quite true. If we were to have a major oil spill 200, 300 or even 500 miles off our coast, it is by no means inconceivable that the oil could end up right on the coast, ours probably being the longest coastline in the world.

Whilst there may be a certain degree of satisfaction in asserting this form a nationalistic point of view, it is my opinion that it would serve no useful purpose at the present time. Indeed, quite the contrary; I suspect it would slow down significantly the sizeable progress made in the last few months on the matter of international agreements.

Mr. Baldwin: Mr. Speaker, would the minister permit a question?

Mr. Jamieson: By all means.

Mr. Baldwin: Before the minister concludes his remarks, would it be possible for him to fill us in as far as possible—I realize that there are impediments to so doing—on what is happening in the international field and the extent to which we in this country might look ahead? We are all vitally interested.

Mr. Jamieson: Well, Mr. Speaker, this is probably as good a time as any. As the hon. member will know from following the news for the last six months, there has been a marked softening in the attitude of the shipping

nations. Some of it was not reflected in the representations made before our committee, but nevertheless I am quite satisfied that the action taken by the House in giving unanimous first and second reading to this bill has been effective.

There was a clear determination in committee that something must be done in this field. As a result, we have seen initiatives taken by the international oil companies in the form of much larger insurance funds than they held previously. In fact, they have increased their contributions to this pool of money quite significantly and are now prepared to do much more than they were when we went to Brussels in the fall of 1969. In addition, there has been greatly increased activity in the United States in regard to anti-pollution measures. Not only the federal government but several individual states have taken action against this type of threat to the ecology and the shorelines.

For obvious reasons I cannot give particulars, but I can assure the House of a definite movement toward more international co-operation. We have indicated our anxiety to go along with this by establishing bases in this bill which will put us on all fours with the Brussels convention. We are remaining within the international community rather than taking unilateral action. I do not suggest that it is possible or even likely that we will get everything we want within a year or two, but I have not the slightest doubt that the weight of public opinion is with us. I may say that our information indicates some commendation among concerned people in the governments of many countries for the actions we have taken.

I might point out to the hon. member who moved the amendment that his party was dubious about the Arctic sovereignty bill and about the extent to which Canada ought to move unilaterally outside the general framework of international law. At that particular moment it was felt that it was suitable and proper to do so. In a situation such as this I can assure the House that there would be no acceptance. Furthermore, we would be asserting something which would be virtually beyond our power to control.

During second reading in this House and before the committee I pointed out that to extend our territorial waters by 100 miles would be to bisect some of the major shipping lines of the world. Thus we would be asserting our authority over what for many centuries have been established sea lanes. I am not suggesting that there should not be this kind of authority; I am suggesting that we must continue to take the lead to get international agreements to police these sea lanes and to identify routes along which ships such as tankers should be permitted to travel. I believe we will have far more success in this way than if we seek to "do it" alone.

Finally, let me point out that historically the greatest threat is within the territorial waters of a country. There is always the danger of collision at sea, of course, but if one looks at the history of the events to which the hon. member referred, all of them occurred within a comparatively short distance of the shore. In the San Francisco incident the two ships were coming into harbour. We believe that the major threat of accident at the present time lies within the 12-mile limit, so I do not feel there is any impediment to effective action in establishing what we have in this bill. I believe this to be entirely defensible in the international community, and I think we should move for the kind of safeguards which I feel are essential but which I feel can only be achieved through international co-operation.

Mr. Speaker: Order, please. Is the hon. member rising for the purpose of asking a question?

Mr. Rose: Yes, Mr. Speaker; I should like to ask the minister a question.

Mr. Speaker: The hon. member can do this only if the minister allows the question, because the minister has the floor.

Mr. Rose: I understand from the minister that he agrees to the question.

Mr. Speaker: Order, please. The hon. member will realize that we are not in committee. He has the right to ask a question if the minister is prepared to reply to it as part of his speech. The hon. member cannot rise and continue debate in committee style when the Speaker is in the chair.

Mr. Jamieson: Mr. Speaker, I have no wish to deny the hon. member a question, but I suggest that he make it brief so that we can get on with the measure before the House.

Mr. Rose: Mr. Speaker, the minister suggested that members of this party were dubious about the Arctic sovereignty bill. I should like to ask the minister to look at the record and to—

Mr. Speaker: Order, please. That is not a question. The hon. member for Fraser Valley West (Mr. Rose) is making a statement: he would like the minister to look up the record. Obviously, that is not a question and it seems to me that the hon. member is now looking for a way to make a statement. He has already spoken on the subject.

Mr. Barnett: Mr. Speaker, I should like to ask a question of the minister, if he would allow it.

Mr. Jamieson: Fine, Mr. Speaker, but I would suggest to the hon. member that Your Honour has already indicated that we are not in committee of the whole. The hon. member has had his 40 minutes. However, I will accept the question if he wishes.

Mr. Barnett: I ask the minister whether the United States have accepted Canada's jurisdiction so far as the 12-mile limit on the territorial sea is concerned, inasmuch as he said that the actions we are taking under this bill are acceptable to the international community.

Mr. Jamieson: To answer briefly, Mr. Speaker, I think there is a difference between acceptance in the wholly formal sense of the word and agreement in the informal sense of the word. What I said was that there is adequate precedent in terms of the 12-mile limit for us to be quite

sure it will not be challenged, and that generally speaking it will be accepted without question.

Mr. Speaker: Is the House ready for the question? The hon. member for Nanaimo-Cowichan-The Islands.

• (8:50 p.m.)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sorry that I did not hear all of the minister's statement. I rise for the purpose of saying that I do not think the people on the Pacific Coast will feel too reassured by the statements which have been made by the minister. It is all very well for him to talk about the possibilities of international agreement and of being able to get some satisfactory arrangements made at a conference of the sea. The fact remains that British Columbia faces a very real prospect of a pollution threat if plans are carried out for building the pipeline from the north shore of Alaska to Valdez and transshipping oil from Valdez to Cherry Point, down the west coast of Vancouver island and through the Straits of Juan de Fuca.

The minister may not be satisfied with the amendment. I would have hoped that the minister would himself have asked Parliament to give him and his department adequate powers to deal with this situation. The situation, to some extent, is on a par with the action which the government took one year ago with respect to the Arctic. I refer to the speech which the Prime Minister (Mr. Trudeau) made in the House of Commons on October 24, 1969. He said, as reported at page 39 of *Hansard:*

> We do not doubt for a moment that the rest of the world would find us at fault, and hold us liable, should we fail to ensure adequate protection of that environment from pollution or artificial deterioration. Canada will not permit this to happen either in the name of freedom of the seas, or in the interests of economic development. We have viewed with dismay the abuse elsewhere of both these laudable principles and are determined not to bow in the Arctic to the pressures of any state. In saying this, we are aware of the difficulties faced in the past by other countries in controlling water pollution and marine destruction within their own jurisdiction.

If the minister has any doubts about the position that this party took with respect to that legislation, he need only look at the record. Our criticism of the government was that it did not immediately concur in the report of the standing committee that had recommended to the House that the government should declare sovereignty not only over the Arctic Islands but the Arctic waters. That was our criticism. We thought the government should have gone further than merely declaring its jurisdiction with respect to pollution control. There can be no doubt about our support for the action which the government took in going as far as it did. We wished it had gone further. Nevertheless, in so far as the government declared that it reserved the right to take the necessary action to control shipping in so far as that shipping might pollute the waters of the Arctic, we supported the government fully.

We think that the same principle ought to apply here. We are not suggesting that the government should have

the right to interfere with the west coast sea lanes. What we are saying is that if oil tankers are to ply the waters between Alaska and the United States, and if they are to pass through Canadian coastal waters and come close to Canadian territory, then the Canadian government should declare, through regulations passed under the Canada Shipping Act, under what conditions those ships will ply those sea routes and what must be the state and condition of the ships as related to the type of cargo.

Ships ought to be required to file the routes which they propose to take, so that in case of fog other ships could be warned as to their location. All the precautions that are possible and need to be taken should be taken to protect the waters off the Pacific coast. Everyone knows, of course, that notwithstanding all the precautions taken, accidents can still occur. The fact remains, nevertheless, that a great many precautions could be taken. Regulations should be enforced. If there are no regulations in this field, conditions imposed will not have any effect.

I do not need to tell the minister about this matter because he knows from experience what happened in Chedabucto Bay. The grounding or sinking of a large tanker anywhere off the west coast of Vancouver Island or in the Straits of Juan de Fuca would pollute that entire area, could destroy one of the most valuable fishing zones in the world and could pollute some of the finest beaches and recreational centres to be found on the North American continent. Surely, therefore, we do not ask too much when we ask that in this legislation there be the necessary powers by which the Minister of Transport (Mr. Jamieson) can lay down the terms and conditions under which ships carrying pollutants can operate if they are to come within 100 miles of the Canadian western shoreline or if they are destined for ports close to Canada.

The minister says that we will work this out through international law. Yet the fact remains that there is no clearcut international law in this field. The Americans have a three-mile limit; other countries impose limits running all the way from four miles to 200 miles offshore. A wide variety of areas have been established over which coastal states have jurisdiction. As I pointed out in a speech I made last year on the question of sovereignty over the Arctic area, nations in the past who wished to protect their own interests have faced this problem and acted unilaterally. As a result of their acting unilaterally, other nations have followed suit. Then a Conference of the Sea has taken place and a convention has been established. That has happened again and again.

The United States, which might be one of the countries to complain, has again and again taken unilateral action. I think reference has already been made to the Truman declaration of 1945 in which the United States unilaterally declared exclusive control of resources of the continental shelf, which in such cases as the Bering Sea extends for several hundred miles. This proclamation of course did not prohibit ships from sailing in these waters or fishing in them; but it did reserve the resources of the sea bed for the United States for some 250 miles off the east coast and some 60 miles off the west coast of that

country. As a result of this action which the United States took on its own initiative, the continental shelf doctrine was accepted by the other nations of the world.

In the same year, the Truman administration in the United States declared that if the United States of its own initiative decided to exercise the right to regulate and control the fishing industry for purposes of conservation, then it had that right even on certain areas of the high seas where other nationals were fishing. It maintained and exercised that right. As a matter of fact, before the United States became a great oil shipping nation, as far back as 1926 that country proposed at a Conference of the Sea a convention which would prohibit the discharge of oil into the sea. Later, the United States began to ship oil. It objected when other nations wanted to impose this type of prohibition. I point these things out merely to suggest to the minister that if he is going to be timid and wait until there is international agreement, until somebody else takes the initiative and until there is finally a Conference of the Sea, he may wait for a long time.

• (9:00 p.m.)

In the meantime, the people of British Columbia may be the victims of the government's hesitancy. We are appealing to the minister to assume these necessary powers now. We have sufficient confidence in the minister that he will not exercise these powers in an arbitrary manner and upset shipping on the high seas. The minister should seek the necessary authority in Parliament to declare that Canada will impose conditions by regulation to which ships carrying oil or other pollutants coming close to the Canadian coastline must abide. That is all. Surely the minister needs some kind of powers to do that.

Mr. Jamieson: Do you consider 100 miles to be close?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I consider that 100 miles is a reasonable area. Possibly the minister thinks that 50 miles is more reasonable and wants to suggest that. Ships will come down from Alaska, go out past the west coast of Vancouver Island and then have to swing in around Canadian territory to get to Cherry Point. The minister ought to have some power to exercise control over those ships.

It is no secret that some oil tankers operated under the flags of various nations are not the most seaworthy vessels. I have seen some come into the harbours in my constituency where it was possible to knock out part of the bulkhead with a hammer because they were so rusty, old and decrepit. How seaworthy are they? How safe are they to be sailing our waters, when if they begin to leak they could pollute the entire coastline and destroy the livelihood of the fishermen on the west coast of British Columbia?

If the minister is not prepared to accept this amendment, I hope he will be prepared to suggest the kind of powers which he thinks he requires in order to keep the danger of polluting the west coast of Canada to a minimum. No one can guarantee we will not have any pollution as a result of an accident at sea, but there could be regulations regarding the seaworthiness and condition of ships, navigational aids, filing of the route they are going to follow and a series of provisions that would at least reduce the hazard and thereby lessen the risk.

I think the minister ought to be prepared to at least do that. If he is not going to do it, he must accept the responsibility if in one, two or three years there is a major wreck of an oil tanker or some other catastrophe on the west coast of British Columbia. That is a responsibility which I, personally, would not want to assume. I do not think the minister is going to be burdened by asking Parliament for this authority. He can then sit down with his officials and with those who are knowledgeable on this subject to work out the kind of regulations which would be necessary to keep to the absolute minimum the danger of pollution from a wreck.

I hope the minister will be prepared to reconsider his decision, be bold and take the initiative in declaring Canada's right to exercise jurisdiction and control in so far as controlling pollution is concerned. I am convinced that if the minister takes that bold action, not only Canadians but other coastal states will support him. In time we will have a Convention of the Sea which will endorse the position the minister should be taking. Surely it would be better for the minister to take the initiative than to placidly wait until somebody else manages to persuade the other coastal states to agree to such a measure.

The government had the courage to declare its authority with respect to pollution control in the Arctic. Surely it is equally important, if not more important, that it exercise the same jurisdiction with respect to the much more settled areas of Canada, namely, the Atlantic and Pacific coastlines.

Some hon. Members: Question.

Mr. Deputy Speaker: Is the House ready for the question? The question is on the amendment of the hon. member for Comox-Alberni (Mr. Barnett). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

Canada Shipping Act

Mr. Louis-Roland Comeau (South Western Nova) moved:

That Bill C-2, to amend the Canada Shipping Act, be amended in clause 2 by striking out the word "oil" on line 36 at page 23, lines 1, 12, 14, 16, 19, 26, 29, 30, 33 and 38 at page 24, and lines 11, 30 and 33 at page 25 and substituting therefor the word "pollutant".

He said: Mr. Speaker, this amendment is quite simple. It merely changes the word "oil" to "pollutant". Hon. members who have not followed the committee's reports will, I am sure, agree that it sounds quite simple. Frankly, it is simple. The amendment I moved this afternoon was accepted by the minister. I hope this amendment receives the same treatment.

It is true, Mr. Speaker, that money is required to fight pollution. The amendment deals specifically with the clause which relates to the maritime claims fund. While I was absent from the proceedings in the committee on February 11 the chairman introduced a couple of amendments and described them as a joint effort of myself and another member. This is one of them. It was moved in the committee but the committee chose to accept one which provided that the Governor in Council might make regulations prescribing pollutants other than oil. This is well and good.

• (9:10 p.m.)

We have had experience of certain pollutants which are, or could be, detrimental to our waters. Nevertheless, the regulations have not yet been brought forward. At least, this was the situation on February 11. But the whole bill depends upon regulations of some sort, regulations with respect to ship construction, the security of tanks used to transport liquids, and so on. In consequence, we do not yet know what substances the government considers to be pollutants and what it does not.

As I say, money is needed to fight pollution. The government therefore proposes to set up a fund which could be used to clean up whatever mess is caused should there be an accident or incident. Most of the witnesses who appeared before the committee expressed concern about this clause, about the proposed levy and about the claims fund. They feared that if the levy were set too high, the companies concerned would simply pass the costs over to the consumers.

I am surprised that more attention has not been paid to this bill, since it is a measure which affects international interests. It is proposed to place a levy upon oil or other pollutants and, as we know, our imports and exports are carried almost entirely by foreign vessels in the absence of what might be called a viable Canadian shipping industry. Sections of the oil industry have expressed their concern about the provisions dealing with the claims fund and it may be the levy will be detrimental to Canadian industry. In these circumstances we should take a close look at the clause before us.

I do not believe the blame for pollution should be laid entirely on the oil industry. In the last year or so there have been cases of pollution by phosphorous, for example. Phosphorous is being transported in Canadian waters. Insecticides and pesticides are being transported through Canadian waters, not only in the Pacific and the Atlantic but the Great Lakes. Thus, there are other pollutants which should be required to bear a portion of this charge; the levy should not be limited to oil. I refer to an incident on the St. Lawrence close to Montreal last year which caused some alarm.

The argument used in committee against this amendment was a simple one. Hon. members will find it stated on page 1563 of the committee report for February 11. Mr. Macgillivray was answering for the department; he was really the only departmental witness, because the minister only attended once and the parliamentary secretary did not become a witness. When we asked whether pollutants other than oil should not also be the subject of a levy in connection with the fund, Mr. Macgillivray suggested it was not very practicable because the amount of the levy could not exceed 15 cents per ton. The committee eventually accepted a compromise of sorts to the extent that pollutants could be prescribed by regulation.

As the bill is presently written, it seems to me there is no limit to the size of the fund which could be built up, nor do we know how large a sum the government will require. When, if ever, will it cease collecting this levy of 15 cents per ton? Would it be suspended if, for example, it were found that sufficient funds had been accumulated to take care of any spill which might reasonably be expected? I should like to know whether this is being kept in mind, because in these hard times there is no need to tax industry too heavily simply for the sake of doing so, especially if there is to be a detrimental effect upon the Canadian economy.

• (9:20 p.m.)

I find it hard to argue this amendment. If I argue too strongly in favour of it, hon. members will think I am not really interested in protecting the environment but am more interested in protecting the interests of industry. But it seems to me there must be a reasonable balance somewhere; we cannot always kick industry around. In other words, we must take some responsibility.

Let me look at some of the funds presently in existence. Other funds have been set up for the same purpose as the maritime claims fund; for example, there is the CRISTAL fund, and there is also TOVALOP. On January 14, 1971, the Oil Companies Institute for Marine Pollution Compensation Limited issued a press release dealing with this problem. Perhaps Your Honour will permit me to read a couple of paragraphs so that the House knows what these funds involve:

A number of leading oil companies of the world signed a voluntary agreement in New York today—

That was on January 14, one month ago.

—as a further step by the industry to help fight pollution of the oceans from oil spills from tankers and at the same time announced formation of an institute to administer it. The agreement supplements ship owners' liability by providing for com-

pensation up to $30 million per incident involving participating companies and is expected to become effective April 1st.

The newly formed Oil Companies Institute for Marine Pollution Compensation Limited would administer the funds contributed by participating oil companies. These funds would be used to compensate claimants for oil pollution damage beyond the liability of tanker owners, including reimbursement of the cost of cleaning up such oil spills.

Today's agreement, known as CRISTAL (Contract Regarding an Interim Supplement to Tanker Liability for Oil Pollution), supplements a previous anti-pollution insurance program in which tanker owners participate. The earlier agreement, known as TOVALOP (Tanker Owners Voluntary Agreement Concerning Liability for Oil Pollution), was signed in 1969 and imposed responsibility upon participating tanker owners for reimbursing governments to a maximum of $10 million per incident for cleaning up of oil spills. TOVALOP covers over 80 per cent of the world's tanker tonnage.

Thus, in the case of an oil spill from a TOVALOP tanker, CRISTAL will supplement the tanker owner's responsibility to an over-all total of $30 million provided the cargo belongs to a participating company.

So there are funds in existence at the moment and most oil companies participate in them. The problem is that the compensation comes from one source only; you cannot claim compensation from several sources. The CRISTAL agreement to which I referred a moment ago provides that where national funds are established—for example, the maritime claims fund—compensation is available only to the extent that the national fund is unable to cover the cost.

Thus, if the proposed maritime pollution claims fund were established in Canada, financed by Canadian oil companies and hence indirectly by Canadian consumers, Canada would be denying herself the full benefits of the other funds, CRISTAL and TOVALOP, the financing of which will be contributed to on a worldwide basis, not only by Canadian industry. Therefore, it seems to me that under these circumstances it becomes highly questionable whether the establishment of this fund is in Canada's best interests. I am not saying that a fund should not be set up; I am just pointing out some of the matters, that give me concern, without taxing industry to the extent that it cannot cope. There was some evidence in the committee that industry cannot cope. I know one company in New England has been talking about levying a charge of 3 per cent, whereas others have thought of levying a charge of 15 cents per ton of oil carried. If a Canadian company is called upon to pay 15 cents a ton as well as three cents at a U.S. port, then quite frankly I do not know how the industry will manage.

The word "pollutant" as a general term is well defined in the definition clause of this bill. I suggest that if the amendment were accepted we would be able to increase the fund. However, after it reaches a certain limit I would hope contributions would cease or, failing that, at least the levy would be reduced to ease the burden on industry. I realize that this fund needs to be built up quickly in case a spill occurs next year, for example. As far as the famous *Arrow* incident on the east coast is concerned, the minister has mentioned that Canada was billed for something like $2 million to $3 million and I presume we are going to be taxed for that bill. I wonder why this is necessary since TOVALOP was in existence at that time and now there is CRISTAL. Why did the government not ask the company involved, which I am sure belongs to this fund, to pay for the cost of cleaning up this oil spill, rather than asking Canadian taxpayers to foot the bill?

The argument that we will not be tagged again with this type of bill does not stand alone; the great majority of oil companies belong to one of the two funds to which I have referred. I hope that the minister will consider this amendment and accept it. Failing that, I trust he will assure the House that the consumers of this country will not again have to bear such an expense. If the cost of cleaning up a spill is too high, this is what will happen.

• (9:30 p.m.)

As I mentioned, the amendment would have the effect of increasing the fund at an accelerated rate. This fund should be reviewed, as suggested before the committee by Mr. Macgillivray, after a certain length of time. Once the fund reaches a certain limit I would hope that the levies would be suspended or at least reduced. If there is no accident for 20 years and we keep collecting this money, the government will put it into the consolidated revenue fund and it will be used for something else. We have seen this happen too often in respect of other funds and pension schemes. The government has used such money for other purposes.

In this case we should not allow the government to use this fund for any reason other than that for which it was designed. I hope the government will look favourably on this amendment in view of the fact that it touches upon the whole topic of maritime trends. Once this measure becomes effective and the fund begins to grow, I hope the government will realize that there are pollutants other than oil which may be as dangerous to our environment. We all know what happened last year in respect of phosphorous. There was a big fuss in this House a year and a half ago about the danger of this pollutant. It seems to me that cargoes of this kind of pollutant should be taxed in the same way in which we propose to tax oil cargoes.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the amendment of the hon. member for South Western Nova (Mr. Comeau) and the arguments he has advanced have the virtue of making at least one point clear. After this bill is passed and becomes operative, members of the House will have a continuing responsibility to observe and examine the administration of the regulations this government enacts, in order to satisfy themselves that they are being applied in such a way as to avoid seriously and unnecessarily interfering with the operation of trade and commerce in Canada while at the same time preventing pollution.

This is particularly true because of the authority placed in the Governor in Council to adopt regulations as it sees fit. The hon. member has related his amendment to the question of revenues and has suggested that in some way his amemdment would make the operation and maintenance of the fund relevant to an appropriate level.

Quite frankly, I fail to follow his argument in this connection.

There were suggestions made by members of the committee, including myself, that provision should be made in the bill for the inclusion of substances other than oil to be classed as pollutants and considered liable for charges and payment to the fund. It seems to me that the basic point of the hon. member's amendment is covered by the amendment of the committee now before the House. This amendment to proposed section 758 is to be found at page 25 of the bill returned from the committee. It seems to me that the hon. member's amendment is unnecessary and irrelevant, and for that reason I would argue against it. If his amendment were to pass, it would mean there might be a levy of 15 cents per ton, or some lesser rate if the government saw fit to set it at a lesser level, in resepct of every kind and class of substance that might be declared to be a pollutant.

This matter was discussed in the committee and it was suggested that under certain circumstances this would be quite inappropriate. After listening to the evidence presented to the committee, I was convinced that there may be some pollutants declared under the legislation in respect of which the appropriate charge to the fund could well amount to $15 per ton rather than 15 cents. I have in mind highly toxic substances, much more pollutant than oil, which may be carried in smaller quantities at a higher level of taxation. They might be taxed at a higher level in order to cover the greater risk to our ecological resources.

The member suggests that the regulations are not enacted as yet and we do not know what they will be. I should like to have seen the regulations before we considered this bill. We often run into this old argument which is akin to the chicken and the egg dispute. We request details of regulations before we give approval to a bill. Had there not been an agreement in the committee in respect of provisions to levy charges on the transportation of other pollutants, I could see some point in the hon. members' amendment or some modification of it. As the matter stands, it seems that this amendment is unnecessary and would only confuse the issue. Therefore, I feel I cannot support it. I suggest to the House that it should not accept the amendment.

The hon. member has suggested that as a result of the assessment of charges under this measure there would be an accumulation of a great deal of funds. As far as I was able to ascertain, no one with knowledge of these matters, either from the department or other experts, was able to suggest what should in fact be the maximum. I am satisfied, under the circumstances, to allow a certain amount of accumulation and let experience be the guide as to the permissible level of this fund, before any reduction in the levy is considered. I do not think the hon. member's argument in respect of this proposed section is relevant to the practical situation. If his amendment were adopted, I do not think it would contribute to making the administration of the legislation easier than it will be as the bill stands.

[Mr. Barnett.]

• (9:40 p.m.)

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 4, moved by the hon. member for South Western Nova (Mr. Comeau). Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Comeau: On division.

Mr. Deputy Speaker: I declare the motion lost on division.

Motion No. 4 (Mr. Comeau) negatived.

Mr. Speaker: The House will now revert to a deferred division on motion No. 2, the hon. member for South Western Nova (Mr. Comeau), and the amendment thereto of the hon. member for Comox-Alberni (Mr. Barnett).

The House divided on the amendment (Mr. Barnett) which was negatived on the following division:

YEAS

Messrs:

Baldwin
Barnett
Bell
Brewin
Burton
Carter
Comeau
Crouse
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Forrestall
Gilbert
Gleave
Godin
Gundlock
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McGrath
McKinley
Matte
Mazankowski
Murta
Nesbitt
Noble
Paproski
Peddle
Peters
Rodrigue
Rondeau
Rose
Rowland
Simpson
Southam
Stanfield
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—46.

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Boulanger

Messrs:

Breau
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Crossman
Cullen
Danson
Davis
Deakon
Douglas (Assiniboia)
Dubé
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gibson
Gillespie
Goode
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hopkins
Howard
(Okanagan Boundary)
Jamieson
Kierans
Lachance
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Orange
Penner
Pepin
Perrault
Prud'homme
Reid
Richardson
Roy (Timmins)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart
(Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas
(Maisonneuve-Rosemont)
Trudel
Turner (London East)
Walker
Watson
Whelan
Whiting
Yanakis—89.

• (10:10 p.m.)

Mr. Speaker: I declare the amendment lost. The question is now on motion No. 2, the hon. member for South Western Nova (Mr. Comeau). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion No. 2 (Mr. Comeau) negatived.

The House divided on motion No. 3, (Mr. Barnett) which was negatived on the following division:

YEAS

Messrs:

Barnett
Brewin
Burton
Douglas (Nanaimo-Cowichan-The Islands)
Gilbert
Gleave
Godin
Knowles (Winnipeg North Centre)
Lambert
(Bellechasse)
MacInnis (Mrs.)
Matte
Peters
Rodrigue
Rondeau
Rose
Rowland
Thomson
(Battleford-Kindersley)—17.

Division

NAYS

Messrs:

Allmand
Andras
Badanai
Baldwin
Barrett
Basford
Béchard
Beer
Bell
Benson
Blair
Boulanger
Breau
Buchanan
Caccia
Cafik
Carter
Clermont
Cobbe
Comeau
Comtois
Corbin
Corriveau
Côté (Richelieu)
Crossman
Crouse
Cullen
Danson
Davis
Deakon
Douglas (Assiniboia)
Downey
Dubé
Dupras
Duquet
Faulkner
Forest
Forget
Forrestall
Francis
Gibson
Gillespie
Goode
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Hopkins
Horner
Howard
(Okanagan Boundary)
Jamieson
Kierans
Knowles (Norfolk-Haldimand)
Lachance
Lambert
(Edmonton West)
Lang (Saskatoon-Humboldt)
Langlois
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Cape Breton-East Richmond)
Mackasey
MacLean
Macquarrie
McBride
McCleave
McGrath
McKinley
Mahoney
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Mazankowski
Morison
Munro
Murphy
Murta
Nesbitt
Noble
Noël
O'Connell
Olson
Orange
Paproski
Peddle
Penner
Pepin
Perrault
Prud'homme
Reid
Richardson
Roy (Timmins)
Simpson
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart
(Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas
(Maisonneuve-Rosemont)
Trudel
Turner (London East)
Walker
Watson
Whelan
Whiting
Woolliams
Yanakis
Yewchuk—118.

Hon. Donald C. Jamieson (Minister of Transport) moved that Bill C-2, to amend the Canada Shipping Act as reported (with amendments) from the Special Committee on Environmental Pollution, be concurred in.

Motion agreed to.

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

Mr. Knowles (Winnipeg North Centre): Now, by leave.

Mr. Jamieson moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. Bell: Mr. Speaker, since a number of labour representatives are in town, I think we would be setting a bad example if we were to work overtime tonight since we do not get overtime pay. Therefore, I move we forgo the adjournment debate, if that should be agreeable to the House.

Mr. Macquarrie: I am usually the most agreeable of people, but I hope my party's whip will no longer insist on taking it out of private members' time. Tonight, though, I shall be agreeable to the course he has suggested.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 2, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

NATIONAL RESOURCES AND PUBLIC WORKS

Second report of Standing Committee on National Resources and Public Works—Mr. Hopkins.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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POLLUTION

POSSIBLE THREAT TO BRITISH COLUMBIA COAST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I ask leave of the House under Standing Order 43 to present a motion of urgent and pressing necessity arising out of the pending conclusion to a hearing which may reach a decision on the establishment of an oil tanker route on the Pacific coast of Canada. In light of the recent suggestions by the Secretary of State for External Affairs (Mr. Sharp) that Canadians should speak out, and in light of the fact that Canadians in British Columbia are speaking out in the form of a petition, I ask leave of the House to move the following motion, seconded by the hon. member for Skeena (Mr. Howard):

• (2:10 p.m.)

The House of Commons express its appreciation that the Legislative Assembly of the province of British Columbia unanimously passed the undermentioned resolution namely:

"That this House expresses to the federal government their deep misgivings over the ecological disaster which will engulf the coast of British Columbia following the construction of a trans-Alaska pipeline and attendant super tanker transport of oil off the coast of British Columbia.

We ask the federal government to use every available resource at their disposal to persuade the American government to use alternate methods of transporting crude oil from Alaska to the United States."

And further this House of Commons urges the government to carry out the wishes of the legislature of the province of British Columbia forthwith.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Comox-Alberni. Under the terms of Standing Order 43 unanimous consent is required. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put.

Mr. Howard (Skeena): Mr. Speaker, I rise on a point of order. Some days ago the leader of the House on the government side drew attention to the difficulty which arises in our proceedings under Standing Order 43 in that an explanation by the member who seeks to move such a motion is permitted but no opportunity is provided for anyone who may object to the motion to indicate his reason for doing so. I suggest it might be appropriate at this time to seek the consent of the House in order that the government, which has indicated its opposition to this motion, might explain its reasons for taking this position.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. The hon. member knows the terms of the Standing Order. They are very simple. The Chair has to determine whether there is unanimity. As I pointed out the other day, and I think I should reiterate it, it is not the consent of the government which is sought in accordance with the Standing Order but the consent of the House. Any one member, even from the party of the hon. member who is proposing the motion, can object and the motion cannot be put. When there is not unanimity, the moment an hon. member on one side or another of the House calls "no" or indicates he is not prepared to give his consent, the motion cannot be put. It is as simple as that. I would not think it would be in order to invite anyone to indicate, on his own behalf, why he is withholding consent.

ORAL QUESTION PERIOD

NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—MEASURES TO EFFECT SETTLEMENT—MAINTENANCE OF SEARCH AND RESCUE OPERATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the President of the Treasury Board whether he has anything to report on the dispute among the ship repair groups in the dockyards at Halifax and Esquimalt? Can the minister tell us if he

intends to take any measures with a view to achieving a solution to this dispute which could disrupt naval operations if it resulted in a walkout?

Hon. C. M. Drury (President of the Treasury Board): The House is probably aware that a ballot has taken place on the question whether or not there is to be a strike. As yet, the result of this ballot has not been communicated to us. Subsequently, I would expect that further discussions would take place between the bargaining unit and the Treasury Board.

Mr. Stanfield: I should like to ask the President of the Treasury Board whether he or his associates have in mind any method of ensuring the continuity of the search and rescue operations which would be prejudiced should a walkout take place?

Mr. Drury: To some extent, this is a hypothetical question. However, we have been holding discussions with the Minister of National Defence with the object of ensuring the provision of essential services.

Mr. Robert McCleave (Halifax-East Hants): Will the negotiating team, when it meets the dockyard spokesmen again, adopt a more flexible approach or will it be tied to the original formula?

Mr. Drury: I believe the hon. gentleman is aware of my constitutional unwillingness to negotiate across the floor of the House, but I cannot, with grace, accept the notion that the Treasury Board is not flexible and reasonable.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I do not know whether it is flexible but it is darned unfair. May I ask the President of the Treasury Board whether or not he can indicate if an arbitral award has been made with respect to the general trades and labour group? If not, when can these people, who have had a contract with the government for only three days in the last five or six years, expect some kind of settlement so that we will not have a complete walkout of the civilian support staff employed by national defence on both coasts? If the minister is interested, the balloting was pretty positive.

Mr. Drury: Mr. Speaker, along with the hon. member I deplore the slowness with which bargaining generally takes place in this area and also the delays that have arisen in connection with arbitral awards. However, I think the hon. gentleman knows that the arbitrators are in no wise either appointed by or under the control of the government.

Mr. Forrestall: I wonder whether the hon. gentleman can indicate to the House what the position of the general trades and labour group will be—this is not a hypothetical proposition; it is something that will have to be faced within the next day or two—vis-à-vis picket lines at Esquimalt and Halifax?

[Mr. Stanfield.]

Mr. Drury: Mr. Speaker, I am not sure that I understand the question. Is it: What would be the position of the bargaining unit in relation to picket lines?

Mr. Forrestall: The general trades and labour group.

Mr. Speaker: Order. It seems to me that the question is hypothetical. I suggest that the hon. member rephrase his question.

Mr. Forrestall: Would the minister indicate whether or not the general trades and labour group will be permitted to cross the picket lines of the ship repair group at Halifax and Dartmouth?

Mr. Drury: Mr. Speaker, this is something that is not dictated by the employer. They will neither grant permission nor withhold it. The crossing of picket lines is a matter to be determined by the bargaining unit themselves.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, can the President of the Treasury Board say whether or not he is contemplating a lockout in this particular situation, and does he consider that there may be a speed-up in the bargaining process if the regional disparity recommendation is taken into consideration?

Mr. Drury: Mr. Speaker, I am not sure that a public taking into consideration of the factor mentioned would help speed up or hinder a walkout, if one is to take place, but the fact of the matter is that the regional disparities have been discussed during the course of these negotiations.

Mr. Skoberg: Mr. Speaker, my question is whether or not the President of the Treasury Board was considering a lockout, not a walkout. I presume he understands that terminology.

Mr. Drury: Mr. Speaker, if the hon. member will consult the law I think he will find that under the Public Service Staff Relations Act the government is not in a position to declare a lockout.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question. I wonder whether the minister would consider consulting the Minister of Labour so that he will get a clear indication of who decides as to who crosses the picket line, instead of what he himself said?

* * *

FINANCE

CONTINUATION OF EXEMPTION FROM UNITED STATES INTEREST EQUALIZATION TAX—CANADIAN CONCESSIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minis-

ter. Have there been discussions between the Canadian government and the government of the United States regarding the intention of the United States government to cancel the exemption that Canada has had with regard to the interest equalization tax and, if so, what was the result of those discussions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe there have been no such discussions. According to my information the matter has still to be brought before the United States Congress, and we are not anticipating any representations in advance of that event.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. May I ask if—

Mr. Speaker: Perhaps the hon. member would like to continue his supplementary question. I appreciate that he is taking into account the consultations that are going on, but while they are taking place we might go on to the next question.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I was just waiting while the Prime Minister was being briefed. Am I to take it from his statement that reports from Washington are correct that as a result of the Canadian government's representations the government of the United States has decided to continue Canada's exemption with regard to the interest equalization tax?

Mr. Trudeau: Mr. Speaker, as the hon. member noticed, my briefing on this is not up to date.

An hon. Member: That is obvious.

Mr. Trudeau: We had decided, as I implied in my previous answer, not to do anything until the matter reached Congress. I understand it has reached Congress by now and that there have been representations made by the Canadian government.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Prime Minister did not really answer my question. He did answer the first part of it by saying that there have been discussions, but I wanted to know what the results were and if the reports in the press are correct that the United States government has decided to continue the exemption? The purport of my question to the Prime Minister is this: When this previous exemption was granted there was a *quid pro quo* under which Canada agreed to keep a ceiling on its reserves of United States currency. Has the United States agreed to continue that exemption and what concessions has the Canadian government agreed to make in return?

Mr. Trudeau: Mr. Speaker, I answer this under reservations because, I repeat, I am not aware of the latest developments.

Mr. Horner: There are reservations in respect of any of your answers.

Mr. Woolliams: Don't get petulant.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on a point of order, I think the Prime Minister was about to make a reply, and I hope he will do so because it is an extremely important matter. If the Canadian government—

An hon. Member: Take your bat and ball home.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —has made some concession, reservation or agreement in return for an exemption under the interest equalization tax, the House is entitled to know what that reservation or concession is. If the Prime Minister was about to give that information I hope he will not refrain now simply because someone interrupted him while he was speaking.

Mr. Trudeau: No, Mr. Speaker, the interruption was to indicate that I did not seem to be too much aware of the answer, and that is the case. I think the hon. member might obtain a more informed answer if he would direct the question to either the Minister of Finance or the Secretary of State for External Affairs.

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[*Translation*]

LABOUR CONDITIONS

UNEMPLOYMENT—ANNOUNCEMENT OF MORE EFFECTIVE PROGRAMS TO ALLEVIATE PROBLEM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is addressed to the Prime Minister.

A radio commentator launched yesterday a fairly violent verbal attack against all members of Parliament, saying that they are ignoring the unemployed and that they do not put forward any viable solution, a statement with which my party and myself disagree.

I would nevertheless ask the government whether, in addition to the measures which have been announced, it will announce shortly in the House more effective programs in order to solve unemployment.

Right Hon. P. E. Trudeau (Prime Minister): If other measures are considered, Mr. Speaker, they will be announced in due course.

SUMMER JOBS FOR STUDENTS—INCREASE IN SCHOOL ALLOWANCES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, may I direct a supplementary question to the Prime Minister.

Since a majority of students will not be able to find a job next summer to enable them to pursue their studies, would the Prime Minister recommend increasing their school allowances and extending payments to the end of their studies?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have indicated that a policy would soon be announced to the House with regard to youth.

Inquiries of the Ministry

[*English*]

UNEMPLOYMENT—ACCEPTABLE NATIONAL AVERAGE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As he indicated yesterday that an average level of unemployment of 3 per cent across the country was unacceptable to the government because of the likelihood that it would reintroduce inflationary pressures in some parts of the country, would he indicate to the House what general or average level of unemployment across the country the government is aiming at in order to maintain a stable and satisfactory economy?

Mr. Speaker: Order, please. I have the impression this question was asked yesterday and gave rise to a lively debate—

Mr. Knowles (Winnipeg North Centre): But there was no answer.

Mr. Speaker: —but perhaps the Prime Minister might be allowed to reply to the hon. member's question.

Right Hon. P. E. Trudeau (Prime Minister): You are quite right, Mr. Speaker. There was no indication on my part or on the part of any minister that this was government policy. What happened in the exchange was that I asked the executive of the Canadian Labour Congress if they had any thought about the problem of the consequences of a 3 per cent average meaning something considerably less than 3 per cent in some provinces and something more in other provinces. It was just a question discussed with them. There was no enunciation of government policy or, for that matter of CLC policy. They themselves rejected a 3 per cent unemployment average.

Mr. Hees: As I was at the meeting and heard the Prime Minister speak when he said that 3 per cent, in so many words, was unacceptable because in Ontario it would cause inflation, would the Prime Minister advise the House what average percentage of unemployment across the country the government considers to be an acceptable one to promote a stable and satisfactory economy?

Mr. Trudeau: Yes. The lowest percentage possible consistent with a stable economic growth.

Mr. Hees: Mr. Speaker, would the Prime Minister for once give an honest, straightforward answer to a serious question?

Mr. Speaker: Order, please.

UNEMPLOYMENT—APPLICATION OF FISCAL AND MONETARY POLICIES ON REGIONAL BASIS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary to the original question. May I ask the Prime Minister if it is now the policy of the government to apply monetary and fiscal policies on a regional basis in this country?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): The member knows that in recent budgets we did in effect apply fiscal policies on a regional basis, and we intend to continue to apply these tools in the future in one form or another.

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AGRICULTURE

DAIRYING—ASSURANCE OF NO FURTHER REDUCTION IN ASSISTANCE TO PRODUCERS UNDER NEW POLICY

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister give us any assurance that when he announces the new dairy policy for the coming fiscal year there will be no further reduction in the assistance to milk producers?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the program for the year beginning April 1, 1971 will be announced some time prior to that date. The hon. member knows, of course, that we have had a number of discussions with representatives of the dairy industry who are aware of the many considerations that have to be taken into account with regard to the entire year so that, hopefully, there will be no changes necessary during the course of that year. Whether there will be any increase or decrease will of course be announced at that time.

Mr. McKinley: How soon will the minister be able to announce that policy?

Mr. Olson: Some time before April 1.

* * *

CANADIAN PACIFIC RAILWAY

SUGGESTED PENSION INCREASES FOR RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the assurance the minister gave me on February 5 that he would make known to the Canadian Pacific Railway the desire of this House of Commons that Canadian Pacific pensions be increased in line with the increases announced by the Canadian National, can he tell the House what progress he is making in persuading the Canadian Pacific Railway to follow that course?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I met yesterday afternoon at approximately five o'clock with the president of the Canadian Pacific Railway. Among a lot of other matters we discussed was the matter raised by the hon. member. I conveyed to him the wishes of the hon. member and the House in this regard and he noted same. I cannot really indicate beyond that what they intend to do about it.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Transport whether in his discussions with the president of the CPR the request of the CPR to the government that it be permitted to extend to 60 years the time within which it may qualify its pension plan under the Pension Benefits Standards Act was raised in connection with the question of pensions?

Mr. Jamieson: Yes. This was one of the matters discussed, as I suspect the hon. member knows. I understand that some of the workers concerned have also endorsed this proposal. Questions with regard to government policy on this request should properly be directed to the Minister of Finance.

Mr. Stanley Knowles (Winnipeg North Centre): Did the minister make clear to the president of the CPR that it might be easier to meet that request if something were done about the pensions of those now retired?

Mr. Speaker: Order, please.

* * *

CANADA DEVELOPMENT CORPORATION

FILLING OF POSITION OF PRESIDENT

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Prime Minister. While the Canada Development Corporation bill is before the House one is unable to secure any information because it will not be debated in Committee of the Whole. Therefore I wish to ask the Prime Minister whether there is any basis for the contention that the head of the corporation is to be, after the bill has been passed, the Hon. Louis Robichaud, P.C.?

Mr. Speaker: Order. Similar questions have been asked in the past, but as the question has been asked perhaps the right hon. gentleman may want to reply.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must confess that we have not thought of it, but I will consider it with care since the hon. member has proposed it.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The Prime Minister says he has not thought of it. I take that to be a loose statement.

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[*Translation*]

AGRICULTURE

SUGGESTED FEED GRAIN TRANSPORT SUBSIDY

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

Inquiries of the Ministry

Has the minister seriously considered the brief which the Montreal Board of Trade addressed to him in February, and does he intend to implement the recommendation of that association to the effect that a subsidy of $10 per ton be granted for all western feed grain used in eastern Canada since November 1?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, I have examined it.

* * *

NATIONAL PARKS

ELK ISLAND—PROVISION OF FOOD FOR ELK AND OTHER WILDLIFE

Mr. Don Mazankowski (Vegreville): I have a question for the Minister of Indian Affairs and Northern Development. Can he advise the House if he has issued a directive ordering an investigation into the findings of the Vegreville Fish and Wildlife Association which revealed that elk and other wildlife in Elk Island National Park in Alberta are suffering and dying because of an inadequate food supply and also that there is little evidence to indicate that any attempts are being made to feed these animals by park attendants?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am aware of that situation. Of course the problem is due to the early winter, heavy snow-falls and the hardening of the top layer. In fact, a certain number of animals have died.

However, I must say that the officials of my department have arranged for the conveyance of six tons of feed daily in the park, in order to help the animals to survive throughout this winter which has been as hard for them as for us.

* * *

[*English*]

YOUNG OFFENDERS BILL

SUGGESTED REFERENCE TO COMMITTEE PRIOR TO SECOND READING

Mr. Eldon M. Woolliams (Calgary North): My question is directed to the Solicitor General. Since the young offenders bill appears to be ready to come back for debate, is the Solicitor General now prepared to have this bill go before a committee or study group prior to second reading in view of the opposition from academic groups and also practical groups involved with young offenders?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have taken advantage of the delay to check with various associations and with the representatives of the

provinces about the truth of certain charges made against the bill and I finally realized that there is widespread confusion and that many questions are not well understood. I suggest that the bill could very well be debated in the House and referred to the Committee on Justice and Legal Affairs.

[*English*]

Mr. Woolliams: In view of the minister's admission that there has been misunderstanding and as the Prime Minister has been complaining about getting legislation through, would the minister be prepared, as requested and suggested by members of his party and this party, to have this matter considered, because the bill has been opposed not only by the academic world but also by those who are involved in a practical way with young offenders?

[*Translation*]

Mr. Goyer: Mr. Speaker, we have been waiting for 42 years for a new act respecting young delinquents. If the hon. member is proposing that—

Mr. Speaker: Order. I am sorry to interrupt the hon. minister but it seems to me that the debate could be resumed when the bill is once again under study.

[*English*]

Mr. Woolliams: I understand it is 42 years old, and that is why everybody is against it.

Mr. Frank Howard (Skeena): May I ask the Solicitor General a supplementary question. Inasmuch as he seems determined to proceed with the bill, could he give the House any indication when it might be called again?

[*Translation*]

Mr. Goyer: I have had no such indication, Mr. Speaker. That question should be put to the government house leader. I want to say that hon. members will certainly have the opportunity to improve the bill. It is not an act—

Mr. Speaker: Order, please.

* * *

[*English*]

URBAN AFFAIRS

PROPOSED NATIONAL COUNCIL—PROVINCIAL POSITIONS

Mr. Perry S. Ryan (Spadina): My question is for the Minister without Portfolio responsible for urban affairs. Would the minister tell the House which two provinces have not yet indicated support for a national urban council and why not?

Hon. Robert K. Andras (Minister without Portfolio): I have no formal indication that any provinces have rejected or failed to support a national urban council in the sense that this means tri-level consultation.

Mr. Ryan: I understand that the minister does have indications of interest and support from eight provincial ministers of urban affairs. Is this the case, and does the minister consider it necessary to have all ten provinces in agreement before proceeding or is he prepared to proceed with the support of only eight?

Mr. Andras: My indications from the actual letters received and verbal conversations that are taking place is that there is no resistance from any province. If such is not the case, then I have not been so informed.

* * *

NATIONAL HARBOURS BOARD

TYPE OF QUESTIONS ON FORM TO BE FILLED IN BY EMPLOYEES

Mr. Barry Mather (Surrey): I have a question for the Minister of Transport. A few days ago, in answer to a question by myself, the minister undertook to check the wording of a federal employment questionnaire being circulated among employees of the National Harbours Board in Vancouver, to which some of them have objected on the ground that it infringes on their civil rights. Is the minister in a position today to state what the situation is?

Hon. Donald C. Jamieson (Minister of Transport): The form in question is a standard one that has been used for some considerable time. The first impression that legal counsel within the department have is that probably it should be altered in view of the Act to which the hon. member referred, and I have now referred it to the Department of Justice. I suspect that alterations will take place virtually right away.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—REVISION OF CANADIAN DAIRY COMMISSION POLICY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is for the Minister of Agriculture.

In view of a statement by Mr. Philippe Parizeau, president of the Granby Agricultural Cooperative, which is the largest in our country, that there is now a shortage of milk in Canada and particularly in Quebec, is it the intention of the Minister of Agriculture to increase, as from April 1, 1971, the total figure of dairy production quotas of the Dairy Commission for the year 1971-72, and also to put an end to the penalizing of dairy producers?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, under the new market sharing quota arrangements that have been agreed to by Ontario, Quebec and the

Canadian Dairy Commission, the amount of milk that will be brought in under those quota arrangements to fill domestic requirements is set by these provincial boards.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I should like to put a supplementary question to the Minister of Agriculture.

As the Canadian Dairy Commission is answerable to his department, does he intend to increase the quotas authorized by the Commission in order to allow the organizations he has just mentioned to set their market quotas too?

[*English*]

Mr. Olson: Mr. Speaker, I am sure you will not allow me to go into the details of how these market quotas are set, but in one sentence I can advise the hon. member that the market sharing quotas are substantially higher than the old subsidy eligibility quotas, and I do not believe there will be an over-all shortage for any type of manufacturing requirements.

* * *

FINANCE

PROPOSED NATIONAL SECURITIES COMMISSION

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Consumer and Corporate Affairs whether he still plans to proceed with the idea of a national securities regulatory commission or whether he has now abandoned this concept and is settling for a more uniform approach among the provinces?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, a uniform approach among the provinces is of course of great value to Canada, and I think considerable progress was made both last week and this week in this regard. However, I think there is a useful role to be played by some other form of organization in addition to what has already been done—and a great deal has already been done—and therefore we are continuing to pursue that route.

Mr. Stanfield: Is it the intention of the minister to provide another level, another tier of regulatory commissions, namely, a national commission in addition to the provincial regulatory bodies, and is it his intention to proceed with this regardless of the declared and vigorous opposition of at least one province?

Mr. Basford: Well, Mr. Speaker, if the hon. gentleman would read my important speeches on this subject—

Some hon. Members: Oh, oh!

Mr. Basford: —he would know that I said—

Mr. Hees: There is just so much we can stand.

Inquiries of the Ministry

Mr. Basford: Obviously hon. members are not interested in an answer at all.

Mr. Stanfield: Mr. Speaker, may I ask the minister simply whether he intends to establish a national level of regulation in addition to the provincial levels, and whether he intends to proceed with this despite the opposition of the provinces?

Mr. Basford: Mr. Speaker, in the speech to which I was referring I said it was surely desirable to avoid just another tier for the sake of having another tier, and this is why we have had discussions with the provinces and will continue to have discussions with the provinces in order that some desirable form of—

Mr. Speaker: Order, please.

* * *

RADIO CANADA

ACTION RESPECTING ALLEGED SEPARATISTS AND TERRORISTS ON STAFF

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It arises out of the minister's strong comments on separatists and terrorists in Radio Canada, made at a recent convention of the Quebec wing of the federal Liberal party.

Mr. Speaker: Order, please. The question may arise out of a statement, but the hon. member will realize that if he wishes to allude to a statement made outside the House he has to direct the question to the Prime Minister and inquire whether such statement represents government policy.

Mr. Dinsdale: Perhaps I can put my question in this form. Has a resolution gone from that convention to the CRTC calling on the Canadian Radio-Television Commission to look into Radio Canada operations?

Mr. Speaker: Order, please. The hon. member is asking a minister whether a resolution has gone from a convention. I am not sure what meeting he is referring to when he asks whether there has been a communication between the two. But in those terms, I am sure the question is out of order.

Mr. Dinsdale: May I rephrase it to put it in order. In light of the concern of the Minister of Indian Affairs and Northern Development with respect to terrorist and separatist elements in Radio Canada, what action is the government taking to deal with this matter?

Mr. Speaker: Order, please. Obviously the question cannot be asked of the minister himself. The minister may make statements outside the House about different matters which do not relate directly to his department

but he cannot be asked about such statements in the House. The only questions that can be asked of the minister are questions relating to the administration of his department. I have to point out to hon. members that we are running short of time, so perhaps we should try to limit supplementaries. The hon. member for Egmont.

Mr. Dinsdale: On a question of privilege, Mr. Speaker, this is a very urgent matter, especially because it included the words "the very existence of Canada is threatened." Perhaps I can address the question to the Prime Minister, if he will take the responsibility for it.

Right Hon. P. E. Trudeau (Prime Minister): What is the question?

Mr. Dinsdale: Mr. Speaker, apparently the Prime Minister has not heard the question or is not concerned about the question. Perhaps I could rephrase it for his benefit. Has any action been taken on the part of the government to deal with the very serious charges levelled against Radio Canada, with respect to terrorist and separatist elements in that organization, by the Minister of Indian Affairs and Northern Development?

Mr. Trudeau: I am not aware of such charges having been made, Mr. Speaker. I will look into them.

* * *

POST OFFICE

INQUIRY AS TO ELIMINATION OF AFTERNOON DELIVERIES TO VANCOUVER BUSINESSES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, last week I asked the Postmaster General if it was the intention of his department to curtail services to businesses in the Vancouver area by cutting out afternoon mail deliveries. The minister said he would take my question as notice. Has he a reply?

Hon. Jean-Pierre Côté (Minister without Portfolio): Yes, Mr. Speaker. I have a reply.

Mrs. MacInnis: May I hear it now?

Mr. Côté (Longueuil): Mr. Speaker, if the Speaker will allow me I would like to say that in Vancouver the frequency of delivery was reduced in one city block only, and before any action was taken all concerned were canvassed and the situation was explained. No objections were received.

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[*Translation*]

FISHERIES

PROPOSAL THAT CHILDREN OBSERVE SEAL HUNT

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would like to ask the Minister of Fisheries and Forestry a question on an urgent matter of national and even international interest.

Does the minister intend to make representations in order to prevent the realization of the stupid, unbelievable, outrageous, indecent, inhuman and provocative project—

Mr. Speaker: Order, please.

Mr. Béchard: —of an association—

Mr. Speaker: Order. From his great experience, I am sure the hon. member knows that the question as asked is hardly in order. If he would get to the question proper.

Mr. Béchard: Does the Minister of Fisheries and Forestry intend to protest against the project of an American animal care association to bring half a dozen young Americans on the ice of the Gulf of St. Lawrence on March 11, the day before the seal hunt opens?

[*English*]

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, if this organization is as concerned about the fate of human beings as it is about seals it will keep the children off the ice.

* * *

AGRICULTURE

POTATOES—NEGOTIATIONS RESPECTING REDUCTION OF UNITED STATES IMPORT QUOTAS

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the recent submission by the National Farmers Union to the government in which the union recommended that the government enter into negotiations with the United States government for the reduction of potato import quotas imposed by that government, can the minister inform the House whether any plans have been made for these negotiations and, if not, why not?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, more than a year ago I had discussions with senior officers in the United States government, and I might advise the hon. member that two years ago I had similar discussions respecting the quotas on potatoes. Indeed, I raise the matter with them at every opportunity.

Mr. MacDonald (Egmont): Would the minister inform the House whether there has been any indication from U.S. officials of when we may expect a favourable change in these quotas?

Mr. Olson: Not yet, Mr. Speaker.

APPLE JUICE—REQUEST FOR RESTRICTION OF IMPORTS

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I wish to direct a supplementary question to the Minister of

Agriculture. Since the importation of concentrated apple juice is working a hardship on apple growers, would the government give consideration to placing some restriction on the importation of this product?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I cannot give the hon. member a categorical answer that this will be done. It has been considered in response to representations, but I can give no indication whether it will or will not be done.

* * *

GRAIN

RAPESEED—AVAILABILITY OF SEED FREE OF ERUCIC ACID

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In line with the department's recent announcement that a major effort has been made to develop and introduce new rapeseed varieties free of erucic acid, can the minister say if adequate stocks of these varieties are available for this year's planting, and whether any restrictions will be imposed on the sale of present varieties containing erucic acid?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think there is any restriction at the moment on the sale of rapeseed with erucic acid in it. We are aware that concern has been expressed by some health authorities. Enough seed will be available for Canadian production this year so that, if it should become desirable, we can have enough seed in 1972 for a complete change-over.

Mr. Korchinski: Mr. Speaker, I asked whether restrictions will be imposed this fall on rapeseed containing erucic acid. May I also ask whether varieties that mature rapidly in a short growing season such as the present Polish varieties will be available?

Mr. Olson: Mr. Speaker, there are now three varieties. Some of them are the Argentine type and the others are Polish varieties.

Mr. Speaker: Order, please. We are running short of time. There will be no further supplementaries between now and the end of the question period.

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THE CANADIAN ECONOMY

PROJECTED TAKEOVER OF HOME OIL BY UNITED STATES COMPANY—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since the Minister of Energy, Mines and Resources said that an announcement would be made regarding Home Oil of Calgary within a week or two weeks at the most, and since the minister is not here, can the Prime Minister tell the House whether any decision has been reached with respect to Home Oil? If not, when does he expect that a decision will be announced by the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there has been no decision of which I am aware about the transaction concerning Home Oil and any other company. I cannot indicate if and when such a decision will be reached by the private sector of the economy. I can merely emphasize, as the minister has been doing, that the government has been closely following the negotiations.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED INFILTRATION OF THE PARTI QUÉBÉCOIS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to ask the Solicitor General a question.

Is it true, as claimed by certain leaders of the Parti Québécois last week, that federal agents have infiltrated their party?

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, as far as I know, the Parti Québécois is a democratic party that accepts within its ranks all kinds of people who have a right to protest against the decisions of the party's establishment. Members of the Royal Canadian Mounted Police are free to join.

In any case, there is no active police action within political parties. But some parties seem to conduct purges among their members—

[*English*]

Mr. Speaker: Order, please. The hon. member for Red Deer.

* * *

NATIONAL REVENUE

DELAY IN ISSUING T-4 SLIPS TO GOVERNMENT EMPLOYEES

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the Minister of National Revenue. Since the end of February is the cut-off date for the issuance of T-4 slips and since many thousands of government employees have been unable to obtain their T-4 slips, can the minister tell the House when they will be available?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I would be happy to get a report on the matter and inform the hon. member tomorrow.

Inquiries of the Ministry

NATIONAL DEFENCE

SUGGESTED STATIONING OF TRACKER AIRCRAFT IN NEWFOUNDLAND TO MAINTAIN SURVEILLANCE OVER FOREIGN TRAWLERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of National Defence. Does the minister propose to leave the Tracker aircraft presently stationed in Nova Scotia there, or will he move this squadron of aircraft to eastern Newfoundland in order to conduct daily surveillance and protect Canadian sovereignty from further infringements by foreign trawlers around the coast of Newfoundland?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, it would not be our intention to move the squadron to Newfoundland. Of course, we would keep the aircraft based at Shearwater operational in the Newfoundland area for as long as they are needed.

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POLLUTION

CONTAMINATION OF WEST COAST OF VANCOUVER ISLAND BY OIL—RESPONSIBILITY FOR CLEANING UP BEACHES

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport arising from the question I asked the Prime Minister yesterday in the minister's absence. I received a partial answer in a communication from his office, for which I thank him. My question arises from the statement in this communication to the effect that the Ministry of Transport has no jurisdiction in respect of the cleaning of beaches. Under what jurisdiction was the clean-up of the beaches at Chedabucto Bay undertaken?

Mr. Speaker: Order, please. I suggest to the hon. member that this question might be placed on the order paper or discussed at the time of adjournment. I am not sure whether this kind of question is in order, in any event.

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

* * *

NATIONAL DEFENCE

INQUIRY AS TO INTRODUCTION OF PROVINCIAL RECRUITMENT QUOTAS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. Further to two previous questions I have asked during the last two or three weeks, can the minister now indicate whether there is in effect a system of quotas for recruitment into the armed forces, province by province?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, there is not in effect a system of quotas. There is for recruiting offices a series of targets across the country. They are based on geography and past experience and are set for the recruiters so they can have them as targets.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed from Friday, February 26, consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs and the amendment thereto of Mr. Saltsman (page 3648).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as a three-word phrase, "Canada Development Corporation" is a success. There is a certain ring to it that is pleasant to the ear as well as to the mind. We are all in favour of the development of Canada, and we want that development, to the fullest possible extent, to be done by and for Canadians. This is not because we are chauvinistic, but because we believe it is normal that any country make its own internal decisions in its own interests. Any country wants its own citizens to have the necessary skills to play a predominant part in its own development, and any country wants to ensure that its own priorities are respected. We believe too that, even in an economy such as ours, where decision-making is largely a private and decentralized matter, there is certainly an important place for the central government to encourage economic development.

In the past year, we have witnessed the power of the central government to harm the economy through the deliberate creation of mass unemployment. I have said time and time again that the decisions which led to the present situation were bad decisions, and I shall continue to say so. They were decisions that displayed the essential character of this government, arrogance and unconcern. But they also illustrated the power that lies with the federal government. They illustrated the importance of the decisions that are made right here in Ottawa; and they demonstrate the necessity for careful use of that power today and in the future. It is not the government that is going to develop Canada. It is the people of this country who are going to do that. But the federal government has a tremendous amount of power that it can use either to encourage that development or to hamper it. This power must be used with foresight and imagination. And it must be applied with care.

The general idea of a Canada Development Corporation is a defensible one. But we are not faced here today with a general idea. We are faced with a specific piece of

legislation which we must judge as best we can. And as soon as we begin to look at this bill, difficulties begin to appear. They begin to appear, in fact, when we look at the self-proclaimed goals of this legislation.

First, we are told that the CDC is supposed to help develop and maintain Canadian presence in private industry in this country. Then, we are informed that the corporation is designed to give greater opportunities to Canadians to invest profitably in Canadian industry. In themselves, these two goals are not necessarily incompatible; but neither are they one and the same thing. There will inevitably be occasions when they do come into conflict with one another. This raises the question as to the situation of the directors who are to have the responsibility for running the corporation. In the normal course of events, the goal of a company director must be to work in the interests of the shareholders of the corporation, which is to say that his goal must be the maximization of profits. However, this corporation will be different in that it is a government-sponsored corporation and therefore, presumably, is to some extent at least responsible to the people of Canada. From that aspect, the directors must always consider the national interest. They must remember that one of the aims of the corporation is to help develop the Canadian sector of the economy.

One has only to raise the question to see that right at the very base of the Canada Development Corporation, as envisaged in the present bill, there is ambiguity and confusion. The question that poses itself immediately is the following: Will the CDC, in the form it is given under this bill, be anything more than a publicly sponsored private investment company working along the traditional lines for the interest of the people who hold shares in it? Is this what it is? Is it anything more than a publicly sponsored private investment company? If it is something more, what more precisely is it supposed to be? After all, a vague statement of goals is simply not enough. In other words, apart from the question of the maximization of profit, what else are the directors of this corporation suppose to achieve? It is all very well to say that they should work in the national interest as well as the interest of the shareholders, but what does this mean in practice? To what extent if any will the national interest justify or indeed require investments offering less than maximum profits to the shareholders of the corporation? Let us take a specific example.

We are told that the CDC, if it so desires, will be able to take over Polymer Corporation. This firm is currently making money for the government and, therefore, for the Canadian taxpayer. How will the directors of the CDC view the national interest when they are negotiating the price to pay for Polymer Corporation? In the interest of its own shareholders, CDC must, of course, pay the lowest possible price, but in the interests of the Canadian people it should pay the highest possible price for Polymer. There is an interesting conundrum, and one that points out once again the ambiguity that lies at the base of this measure.

Let us look at the more general picture. Supposing the CDC, as it is proposed, had an opportunity to participate in a development which was widely considered as one that ought to be controlled by Canadians. Supposing this was the general impression in the country. Suppose there was reason to believe that such a development could stay afloat, but it would be likely to produce only very low profits for the Canadian owners. In other words; this would be a case where you would have low profitability versus considerations of national interest as widely understood in the country. Where does the responsibility of the directors of this corporation lie? To what extent, if any, should they take lower profits to achieve Canadian participation in such a development even though it means substantially lower profits to the shareholders of the CDC? That is not an easy question to answer. It is certainly not easy to answer from reading this legislation. It will be all the more difficult, because in such a case the corporation would inevitably be subject to tremendous pressures from opposite directions, economic from the shareholders on the one hand and political, social and nationalistic from the government and organized public opinion on the other.

I feel sincerely sorry for the eventual directors of such a corporation. I hope that none of them will have any latent tendencies toward a split personality, because they wouldn't be helped any by having to work within the schizophrenic structures and goals that this present measure is setting out.

Some hon. Members: Hear, hear!

Mr. Stanfield: Given this schizophrenia in the bill, it is not surprising that criticism of it has also gone in different directions. Some critics on the left charge that the CDC as proposed would be nothing more nor less than a giant government-sponsored investment corporation designed to provide another profitable outlet for the money of corporations and of wealthy Canadians. On the other hand, there are those who say that this is simply another step toward socialism. In the words of the *Globe and Mail,* and I quote:

> The CDC will be, in the public mind, a Crown Corporation, subject in Parliament to all the political pressures of the electorate's nationalism and caution, inhibited from the boldness and ruthlessness that is essential to success.

With its usual complacency, this government through the Minister of Finance (Mr. Benson) says that, being criticized on both sides like that, it must be right. Things are not that simple. Things are not that simple because, in this case, both criticisms—contradictory though they might be—are at least partially valid. Each one puts the spotlight on a major weakness of the present bill. The first points up the fact that there is nothing in the proposed CDC to define exactly what the directors may properly consider other than maximum profits of the shareholders of the CDC. The second points to the fact that neither is there any assurance that the proposed body would act with any consistency in the interests of its shareholders. The question must therefore be asked: What is the relevance of this bill to the whole question of Canadian control over our own economy? And what is its

relevance for that matter to the whole question of economic development in the national interest? The provisional answer must be that there is no evidence that it is relevant in either case.

The point is that there are many, many questions left unanswered both by the present bill and by the whole concept of the CDC that is contained in the present bill. For example, there are questions that have been raised by economists as to whether, even were they possible, the tasks, as laid down in the present government proposals, are realistically desirable.

• (3:10 p.m.)

This measure is based on the assumption that it is the shortage of capital which is the main reason not only for foreign take-over of Canadian firms, but also for the general lack of development ventures that are taking place under Canadian control. However, as several economists have pointed out, there may well be several reasons other than the unavailability of Canadian capital to explain the situation. There are a variety of reasons why foreign interests may be able to offer far more for control of a Canadian company than Canadian interests can offer. Similarly, there are a variety of reasons why a particular Canadian development might be far more profitable for a foreign owner than for a Canadian owner. It might be, for example, that the technological resources at the disposal of a large United States corporation would be the deciding factor in some cases. It might be, too, that the resources of a foreign corporation, as well as its requirements, would play a deciding role in many instances, making it worth while for a foreign corporation to pay considerably more, meaning that control of, or participation in, a Canadian development was much more profitable for a foreign corporation.

Then, of course there is the whole question of the comparative tax structure as between Canada and other countries. We have had occasion to raise some questions about this. Economists such as Professor Neufeld have pointed out that the availability of capital is not the only consideration. In that event, the CDC as envisaged in this bill could involve an approach which would be altogether inappropriate to our needs, especially when one considers the schizophrenic nature of the corporation to which I have already referred.

Presumably, we will be given answers to some of the questions I have raised presumably we shall be given some of the reasons why there is so much foreign take-over, why outside interests are in so many cases controlling our resources. Presumably some of these answers will be contained in the report on the whole subject of foreign investment which is supposed to be tabled in the near future—the "Gray" paper, if I may refer to it as such. Certainly, we ought to get a good many answers. Before being asked to establish the CDC we ought to have before us the government's analysis of the reasons we are losing control of the economy and the reason Canadians are not participating more fully in the development of that economy. We ought to be told the measures the government proposes to take in the light of this analysis of the situation.

Some hon. Members: Hear, hear.

Mr. Stanfield: After all, it is only when we have this information before us that we can determine what the proper response should be, having regard to the condition in which we find ourselves. It has been suggested by some economists, for instance, that for both capital and managerial purposes such a corporation could operate most effectively as a broker helping to bring together the need on the one hand and the money and the talent on the other. This is a possibility which has been ignored by the government in the preparation of this legislation. There may be a need and a justification for the use of government sponsored equity capital on some occasions. Once again, we come back to the inconsistency and confusion of aims embodied in the bill before us. In its present form, I have to say, this is a bill which raises more questions than it answers.

Some hon. Members: Hear, hear.

Mr. Stanfield: Why, for example, are we faced with a bill which talks pretentiously about the public interest without ever defining that public interest, and making no effort to show how it is to be achieved? Why are we faced with a bill which involves a modification of the tax structure in the realm of investment at precisely the time when the Canadian people are living in a climate of extreme uncertainty as to the government's intentions with regard to tax reform? We are still waiting to find out what the government intends to do about investment incentive in general. Why this piecemeal approach, now? Why are we faced now with a bill which touches on the field of foreign investment when in a few weeks, we are told, we are to receive the long awaited report of the government on foreign investment in Canada? This brings me to the general question: why has this bill been brought in now? What affected its timing? After hanging around for eight years, the concept of the CDC has suddenly been dusted off and presented as an example of the determination of the government to protect Canadian industry and help Canadians develop Canada. The question many people are asking is: why could the government not have waited until the appearance of its report on foreign control of our industry? The Minister of Finance, in his genial way, disarmingly replied that the bill was being presented now simply because it is ready.

Mr. Benson: A good reason.

Mr. Stanfield: Does this indicate that the government does not have too much ready? I ask myself seriously why the government has insisted on seeking to establish the CDC right at this time. It is not even a four-letter word, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Benson: You have been drinking heavy water.

Mr. Stanfield: They are finding the going a little heavy. I suggest another reason is this. Had the government

waited for the report on foreign ownership, the "Gray" paper, it would have been forced to take a comprehensive look at this whole question. It might have been obliged to take a stand on the issue of economic nationalism and its relationship to Canada's economic development and economic identity. By coming out with this flashy but irrelevant proposition, the government hopes to take the pressures off before the report comes forward in the form of the "Gray" paper.

I can tell the government that whatever happens to this empty measure before us, the pressures will not be off. The Canadian people and this Parliament want to know where the government stands, if indeed it stands anywhere. This bill is authentic in one way. It is another reflection of the uncertainty and ambiguity which characterized the government in its economic and social policies. This bill, and the so-called CDC it is supposed to spawn, takes all the emptiness, the uncertainties and the ambiguities of the government's policies and rolls them into one meaningless package.

To expose its hollowness, one has only to ask: what would have happened had the CDC been in operation at the time of the sale of Ryerson Press? From the standpoint of national interest and national concern there would have been tremendous pressure, both moral and political, for the CDC to step in and save one of the few remaining Canadian textbook publishers. But from the standpoint of profit, evidently there would have been no way in which the CDC could properly have become involved. This appears to be obvious. Either way, the response of the directors of the CDC would have been bitterly disputed.

Let us not forget there will be many occasions in the future when there will be clear conflict between national interest, or what appears to be the national interest in the eyes of many Canadians, and the profitability of a particular deal. This is why it is inevitable that any sort of publicly-sponsored development corporation of this kind would be embroiled up to the hilt in political pressures of all kinds. If it succumbs to these pressures, the shareholders will suffer, and if it does not, there will be a tremendous amount of disillusionment on the part of those who really see this organization as an instrument for preserving Canada as they see Canada. In short, Mr. Speaker, I think this measure in its present form, offered at the present time, is both futile and dangerous. It is futile because there is no evidence that it will be relevant to the national interest it is supposed to defend, and its merit is certainly unpredictable to the eventual shareholders it is supposed to benefit.

• (3:20 p.m.)

Leaving aside for the moment the question of Canadian control, let us look simply at the question of risk. If this corporation is really to serve Canadian development in a way that private investors cannot, it is going to have to take risks. It is going to have to invest money in spheres where not only is there no sure return, but there is no return available in the near future, and where such return as there may be is remote in time and relatively low in amount. That is why I really wonder just how the government plans to appeal to the potential shareholders of the CDC. Will it be an appeal in the name of patriotism, or will it be an appeal in the name of self-interest? The government has at least given itself lots of time before issuing that appeal. In fact, I have already predicted that the appeal will never come, regardless whether or not this bill is passed, and I make the same prediction today. I say to you, Mr. Speaker, that the government will never issue shares in the CDC, at least not in this CDC, because the whole concept is too confused, too ambiguous and too self-contradictory.

I have said that this measure is futile. It is also a dangerous piece of legislation, dangerous because of the disillusionment that would result from its failure in the sphere of national interest and development, which would be proportionate to the hopes that it would raise. I do not want to see disillusionment and cynicism among our people about the future of our country; but by falsely raising hopes, this sort of bill would certainly contribute to that result.

Full of contradictions and confusions in its goals as in its methods, what is the purpose of such a bill? The minister himself admits that it is useless to small business, as it is to regional development. Certainly it will be of no use at all to small business in this country. The one million dollar minimum investment called for in the bill is a guarantee that no help will be available to small businessmen, as we understand that expression. Certainly, it will be of no use in the fight against regional disparity. On the contrary, the criterion of maximum profitability will, if anything, act as an effective damper on any suggestion that we take a chance on a poorer region.

Mr. Mahoney: You should know.

Mr. Stanfield: That is right, I should know.

Mr. Muir: Is that the buffoon from Calgary South again?

Mr. Stanfield: So one asks again, what is the purpose of the bill? Suddenly, the answer shines through. After its PR fight against inflation, the government has now embarked on another PR effort, this time against foreign control and in favour of large scale Canadian participation in the economy. As far as I can tell, it is not going to be a very costly fight because the government does not have to do anything very much for quite a while, so it can just talk. With the usual vague words and pretentious language, the government is out to convince the Canadian people that it really cares—in fact, that it cares doubly. It cares about Canadian control over the economy, and it cares about economic development. So do we all, Mr. Speaker. But in this case, it is only the government that can act. This is why we of the opposition are so keenly disappointed that this government has once

again preferred image to substance and come up with a hybrid and unworkable monstrosity that is of no use to anybody except the ever-busy image builders in the employ of the government.

In reality this is a shoddy public relations gimmick which is designed to refurbish the image of this government among those millions of Canadians who do care very deeply about what happens to this country. In terms of possible accomplishment it is not only highly questionable; it is worse than questionable because it is a betrayal of hope. It is an empty and insulting gesture unworthy of any competent government but eminently worthy of the one across the aisle from us today.

I must say that we of the official opposition cannot accept the amendment put forward by the hon. member for Waterloo (Mr. Saltsman) because we see no evidence that the creation of yet another crown corporation would at this time do anything effective either to increase Canadian independence or to help development of regional industrialization which the amendment takes as its goals. We believe that the government bill before us and the present amendment put forward by the hon. member for Waterloo are simply leaps into the dark at a time when hopefully we look forward to acquiring in the near future the information necessary to allow us to go forward, knowing where we are going and what we are proposing. I do not want to end on a negative note, even though I believe that the government deserves the harshest kind of criticism on this measure. This whole area is too important to the Canadian people to reject out of hand any and all action that must be taken. However, I do feel that we cannot accept this hasty and ill-conceived bill as it now stands.

I, therefore, give notice that a member of the official opposition will be moving a reasoned amendment to refer the subject matter of this bill to committee to be considered when we receive the Gray report as to the real situation regarding foreign ownership, and when we receive the package of measures that the government proposes to take as well as the government's legislative proposals regarding tax reform and changes in the tax structure.

We think that the sensible course to take with regard to a measure such as this is to refer it to a committee to try to make some sense out of it in light of the general program that the government will be putting forward. But if this proposal is refused and the government does not refer the bill to committee with this sort of directive, we shall have no alternative but to vote against this particular measure on second reading. If this government has any sense of responsibility toward the Canadian people it will accept our suggestion.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I deeply regret that the legislation before the House, Bill C-219 to establish the Canada Development Corporation, is throwing away a golden opportunity to contribute to the solution of one of Canada's basic problems. I refer to the problem of regional disparities.

[Mr. Stanfield.]

At the 1969 constitutional conference the governments in Canada declared as follows:

> This constitutional conference agrees that the promotion of the full development of all parts of Canada is an essential objective of confederation.

• (3:30 p.m.)

On February 8 and 9 of this year, the third working session of the constitutional conference recalled the conclusion reached on the subject of regional disparities by the working session of the previous September. The first ministers agreed that the constitution should include a recognition of the importance of equality of opportunity for all Canadians.

This, it said, should not only be in the new preamble to the constitution but in the body of the constitution. The preamble should state that one objective of Confederation is the social, economic, and cultural opportunity for all citizens in whatever region they may live. The Constitutional Conference went on to say that in the body of the constitution there should be a statement of obligation on all governments, federal and provincial, to promote equality of opportunity and well being of all individuals, to ensure, as nearly as possible, that essential public services of reasonable quality will be available to individual citizens, and to promote economic development which will reduce disparities in the social and economic opportunities of individual Canadians in whatever region they may live. These pronouncements would enshrine in our fundamental law the obligation to deal with regional inequalities.

Nevertheless, the present legislation throws away an essential tool in implementing these basic national purposes. It fails to maintain public control by giving into the interests of individual shareholders. It stresses maximization of profit. It gives no more than impotent minority rights to those representing the public interest and it makes sure that what should be a basic purpose of the Canada Development Corporation is ignored.

A major cause of disparities in the social and economic opportunities for Canadians in the different regions has been the natural tendency of those who control private investment to channel their investments into central Canada in search of maximum profitability. It is precisely this that a properly constituted and equipped CDC would remedy. The Canada Development Corporation proposed by this legislation entirely fails for this purpose.

The hon. member for Waterloo (Mr. Saltsman) has pointed out in this debate and on many other occasions that the conception of a Canada Development Corporation held by this party is that it is something that can and will act as an instrument of Canadian government policy and secure Canadian objectives. He has said:

> In our view, the CDC should be involved in regional development policies with provincial bodies and agencies in order to ensure that every part of Canada capable of supporting viable development is extensively involved in the industrial future of this country.

It seems to me that the future unity of this country depends upon the federal government demonstrating that

it can and will use the instruments within its control effectively for the purpose of removing these disparities. It is true, of course, that the stated objectives of the company set out in Clause 6 of the bill direct that the company will invest in shares of securities of any corporation related to the economic interests of Canada and shall invest in ventures or enterprises likely to benefit Canada. However, there is no machinery for carrying out these general statements. The direction of the company will be entrusted, in effect, to private business interests and the minister has made it clear that maximization of profit will be the major objective.

However, clause 6 provides that all the objects of the company shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole. The minister has stated:

—this government has no intention of tying the CDC to specific regional problems.

Indeed, the national objective of regional development is to be entirely outside the scope of the company. Two hundred and fifty million dollars have been raised by taxing the public generally in all parts of the country and, in addition, profitable and successful Crown corporations are to be handed over to the corporation. This control is to be handed over in order that the CDC may invest in the developed and profitable areas of this country. One is reminded of the Biblical text—to him that hath shall be given and from him that hath not it shall be taken away.

It is suggested, of course, that the government being a shareholder to the extent of 10 per cent in the Canada Development Corporation will have important influence on CDC policy. I doubt this very much. Individual shareholders are restricted to a three per cent shareholding, but three per cent means an interest of $30 million if full capitalization takes place. The only sort of potential shareholders with this capital available are large corporations. A group of four or five large corporations would, therefore, have a greater degree of control than the government, and the government's minority interest is likely to be overridden whenever any conflict arises. The control of the new corporation will, therefore, quite apart from what the government says, clearly be in the hands of those who at present control our financial institutions.

What, for example, would the Canada Development Corporation do if it were a minority shareholder in a company which had several million dollars invested, was highly successful and received a highly attractive cash bid from the United States? Would it use its interest to try to veto the sale because the bidder was foreign? Could it prevent the majority shareholders selling for a profit or would it persuade the CDC to make a counter bid? Where does the priority lie, profit or national interest? It is quite clear that profit would prevail and the national interest would suffer.

The words in the bill about the economic interests of Canada, and what is likely to benefit Canada, are a meaningless façade and would in the ultimate analysis unquestionably give way to the financial interests of the shareholders. The seriousness of regional economic inequalities can hardly be exaggerated. They have been a persistent fact of Canadian life for at least the past 40 years.

According to the findings of the Economic Council of Canada, as contained in their second annual report:

Since the late twenties, when statistics were first compiled the overall economic growth of Canada has not achieved any reduction in the gap between the "have" and "have-not" regions of the country.

There is a substantial difference in per capita income between the highest and lowest provinces. There have been substantial differences in employment across the country. In particular, the Atlantic provinces have clearly suffered from much heavier unemployment than the country as a whole. Where a person lives in Canada means a great deal to his standard of living, opportunities for employment and the amount of income he can earn. The skills of many Canadians are neither developed nor used to their full extent. The over-all effect on the economy of such waste cannot be definitely stated, but it is certain that we are not making full use of our human and material resources. Our economy operates well below its full capacity and hundreds of millions of dollars worth of productivity are lost every year as a direct result.

Underdeveloped regions are caught in a vicious cycle in which low income and employment, low capital accumulation and low productivity lead to lower educational attainment, inadequate services, emigration of the skilled to areas where employment opportunities are better, and in general a standard of living well below what it is possible for all Canadians to enjoy the very purpose of confederation was to enable regions of Canada to establish equal opportunities for all our people. Nevertheless, as the Economic Council has pointed out, wide disparities continue to persist from region to region. The fabric of Canadian unity is threatened by these inequalities.

It is, of course, true that the government has instituted programs to attempt to bring about regional economic equality. Indeed there has been a proliferation of such programs, all of them well intentioned but none the less ineffective. There have been area industrial grants and incentives. There has been, in provinces such as the Maritime provinces, a great deal of research into the resources and opportunities for development. Unfortunately, all of this research, and all of the plans that may be made as a result of the research, cannot become effective without massive investment. Where are the investment resources and funds to come from? They are not likely to come from the resources of the provinces themselves. Are they to come from foreign investment or United States investment?

Assuming that this is a possibility, it can only add to the problem of foreign control of Canadian resources. I, for one, do not believe that the capital generated by the Canada Development Corporation should be used for

buying back foreign controlled industries, except perhaps in certain limited cases where an opportunity presents itself.

• (3:40 p.m.)

I believe the resources of the Canada Development Corporation should be available, subject to proper research and adequate planning, for investment in the development of Canada as a whole. That is what is lacking in the present legislation. In 1968 the Economic Council of Canada pointed out that:

> Nowhere in the federal government structure is there a central focus—to ensure the allocation of funds to secure the maximum benefits for the region and the country as a whole. There is a clear need for a complete reappraisal of administration and procedural means of putting federal support of the Atlantic Regional Development on a more rational and well-integrated basis.

Has this changed with the creation of the Department of Regional Economic Expansion and its new programs? The answer is no. As recently as last Wednesday in the House of Commons, as recorded at page 3709 of *Hansard*, the minister in reply to a question by the hon. member for St. John's East (Mr. McGrath) said that his department could not co-ordinate its activities under the Regional Development Incentives Act with the responsibilities of other departments. Thus, the hoped for co-ordination and central focus in government has not been achieved.

In the report of the Standing Committee on External Affairs and National Defence on Canada-U.S. relations, the evidence of Mr. Claude Lemelin is quoted as follows:

> We might even ask if the new federal incentive programs for investment in the underdeveloped areas will be able to modify by themselves, the repartition of investments and employment in favour of these areas. And this is because the private investments, which result more often than not from decisions taken in the U.S., are not in agreement with the Canadian development requirements which are based on east-west axis, but are in terms of continental requirements, i.e. a north-south axis—

A publicly directed Canada development corporation such as has been proposed by this party in the nature of a Crown corporation, borrowing its funds from the Canadian public by bonds and by required investment of some part of the funds available from financial institutions in Canada, could do this essential job for Canada. The Canada Development Corporation created by this legislation will be torn between profit maximization and concern for national interests. It will be directed by those with a traditional outlook. It will not be subject to direction of the government or the interests of national policies. Its only justification is that it is a sop to economic nationalism.

It might be asked why a representative of Ontario and Toronto—by no means a disadvantaged area when it comes to regional disparity—should be raising an issue which is of more direct importance to other regions such as the Maritime provinces, perhaps Quebec, and some of the western provinces. I raise this question because I believe in the long-run it is in the enlightened self-interest of all parts of Canada, including central Canada and Ontario, that regional disparity be ironed out and that depressed areas be given special attention in the investment policies of Canada. Canadian unity requires this and in the long-run the prosperity and well-being of Canada require it. It is just too bad that a wonderful opportunity to establish an effective instrument to this end is being allowed to go down the drain.

Instead of legislation to provide for effective mobilization of Canadian resources for Canadian purposes, we are asked to accept a phony substitute. We are getting a façade in place of the real thing. The House should reject this bill or should accept the amendment.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, the House is now considering a very significant piece of legislation, that is Bill C-219. The Leader of the Opposition (Mr. Stanfield) has voiced his objection to the overall bill. Personally, I have looked pretty closely at this bill and I think hon. members are entitled to question the advisability of introducing at this stage of the session a bill which at first sight appears to be most important.

As far as the principle of this act is concerned, I hardly believe that any member would object to it on the basis of the contents of clause 2 which reads as follows:

> The purpose of this Act is to establish a corporation that will help develop and maintain strong Canadian controlled and managed corporations in the private sector of the economy and will give Canadians greater opportunities to invest and participate in the economic development of Canada.

If we confine ourselves to clause 2 of the bill, it seems to me that all hon. members should support it. This bill purports to encourage Canadians to invest in Canadian companies instead of investing, as they did in former times, in foreign companies established in Canada which reinvest their funds outside our country. Indeed we have often seen Canadians lend money to foreign finance or insurance companies which reinvested it in foreign countries and not in Canada, and in this way channelled the savings of the Canadian people into foreign companies.

If one of the aims of this semi-public corporation is to encourage Canadian people to invest in Canadian firms so that the latter become full partners in the industrial development of this country, I will say that this is a very commendable intent indeed.

But how could we believe it without having a deeper knowledge of the direction the government is going to take with its so-called economic nationalism policy?

• (3:50 p.m.)

Briefly, this is the policy of this government respecting the operations of foreign companies in Canada. We recall that during the last electoral campaign the right hon. Prime Minister of Canada (Mr. Trudeau) as well as the members of his cabinet and of his party, realized certain electoral benefits from this economic nationalism.

For the last three years, Mr. Speaker, this government was to provide clear-cut leadership to Canadians and policy statements made on the subject either by the Miniter of Finance (Mr. Benson) or members of the cabinet have so far been obscure, hesitant and timid.

One cannot talk about a Canadian Development Corporation without a thorough knowledge of this government's policy on foreign concerns operating in Canada. Will the CDC be strong enough, both from the management and capital standpoint, to compete equitably and viably with foreign corporations?

When the bill was introduced, the hon. Minister of Finance did not speak on that aspect. We are justified in asking the government today to take a firm, unequivocal attitude, so that Canadians who invest in this new corporation will be able to assess in advance the risk of their investment.

If I understood the objects of this corporation correctly, it should first seek to invest its equity in the establishment of new industries and in the expansion of industries which have already proved profitable and viable; in short, this corporation should be an effective incentive for the creation of new jobs. If this is a priority—and it should be a priority for the government, in view of the disastrous unemployment situation in which Canada now finds itself, when 8 per cent of the work force is idle and when Quebec has 243,000 unemployed—I say this should be a long term program to create jobs.

As stated this afternoon by the Leader of the Opposition, we know that this Corporation will not immediately assist small concerns. It will again be meant to help large industries. Today, as I just said, when economic conditions in Canada are disastrous as far as employment is concerned, the government must take various means in order to help small industries.

The Department of Regional Economic Expansion is already trying to attain that objective. We know that the department was indeed trying to create new industries to promote the development of small concerns and boost employment in Canada. Perhaps the Quebec members have read in weekend newspapers that the problem exists everywhere in Quebec, especially where the doldrums are so acute that they are discouraging for some classes of society.

During the weekend Mr. Speaker—and I think that this is related to the subject of this debate—I attended a meeting in Sacré-Cœur in the Saguenay constituency. Those people have been working for 8 years at the development of a cardboard manufacture with the co-operation of the CFU. By the way, the CFU spent $200,000 solely for the industrial promotion of that plant.

Mr. Speaker, people get discouraged when they see that the government does not intervene, when circumstances warrant it, to assist more directly in establishing industries that would create employment.

At Sacré-Cœur, Mr. Speaker, we have seeked to get Quebecers and Americans interested in setting up a cardboard factory. The Catholic Farmers Union did what it could, spending $200,000 for that purpose. Now, the experts' report assures us of the viability of that factory, but $25 million would be needed to implement the project.

Could the Minister of Finance indicate whether, once Bill C-219 to establish the Canada Development Corporation is enacted, it will overlap the purposes and objectives of the Department of Regional Economic Expansion?

To come back to the example I mentioned a moment ago with regard to Sacré-Cœur, in Saguenay County, if the regulations of the Department of Regional Economic Expansion are followed, a grant of $6.5 million will be paid to this plant in order to create 500 jobs, that is $30,000 per job. I would like the minister to tell us whether this act could not be invoked to finance the balance of $17 million required to establish the cardboard factory at Sacré-Cœur.

I think that the minister should be able to answer our questions.

Once again, I want to know whether the Canadian Development Corporation will duplicate the Department of Regional Economic Expansion or whether it will merely make it disappear. To my mind, the people are worried.

One must admit that department has helped the people in some respects. The Minister of Regional Economic Expansion (Mr. Marchand) recently stated that since his department was set up, 60,000 jobs have been created; still, the minister must tell us whether this new act is intended to complement the services of his department or merely to replace them.

Will the CDC also be authorized, as I said a while ago, to have access to the funds of the Canadian government when there will be a financial contribution from the Department of Regional Economic Expansion?

Mr. Speaker, the new corporation must be structured in such a way as to avoid the errors of the General Investment Corporation of Quebec.

First of all, we must know if the corporation will compete with organized financing companies operating in several provinces of Canada. Is there provision for investment planning in this corporation in co-operation with other companies of a semi-public or private nature operating in other provinces of Canada? Will this new corporation extend preferential rates to its shareholders so that finance corporations in Quebec and elsewhere in Canada will find themselves in a precarious situation?

• (4:00 p.m.)

We must avoid the mistakes that have been made by the Quebec General Investment Corporation whose objectives are similar to those spelt out in Bill C-219. We believe that the discomfiture of the Quebec General Investment Corporation in some areas can be attributed to the human factor. It may be that the men who set up this financial system lacked the necessary competence.

In many case, the Quebec General Investment Corporation has not been able so far to appeal to serious investors who could have turned it into a stable institution from an economic and financial point of view. This Corporation stopped paying quarterly dividends in September last.

This action did not have much impact on the stock market since the government of Quebec holds only deferred dividend shares while the Caisses populaires own two thirds of the General Investment Corporation shares.

Since its inception eight years ago, the Quebec General Investment Corporation has not been able to gain the confidence of investors because the value of its share on the Montreal Stock Exchange has never gone over the $10 mark of their face value. They are presently trading at $8.50 after considerable variations over the last eight years. If the new legislation introduced by the Minister of Finance seeks to achieve the same objectives as those aimed at by the Quebec General Investment Corporation, I believe that the minister and the cabinet must closely consider the mechanism and structures of the said Corporation: as everybody knows, it is now going through difficult times.

Although its aggregate firms are well established, the General Investment Corporation has met with unequal results. In fact, not so long ago, SOGEFOR folded. On the other hand, the SOMA almost went down many times; it was also financed by the General Investment Corporation. In 1969, before amortization, it had lost $346,000. The largest subsidiary, Marine Industries, registered a 48 per cent loss on its net profits for 1969, and its shareholders are now impatiently awaiting its financial report for the current fiscal year.

Mr. Speaker, on Saturday last, Entreprises Soucy, a Rivière-du-Loup pulp and paper industry in which the General Investment Corporation had invested funds, closed its doors. It laid off 200 people. To reopen, the firm needs over $1 million.

The Montreal newspaper *La presse*, under the signature of Mr. Jacques Tremblay, has published an article in which the life of the General Investment Corporation was described as follows:

> When the General Investment Corporation was created in 1963, people still entertained very optimistic ideas: "everything is possible", "we shall achieve a quiet revolution". A series of well-defined operations were to make us masters in our own home: nationalization of electricity, deposit fund, investment corporation, replacement of family enterprises by modern "industrial complexes", and so forth.
>
> —Every project based upon an old national economic mythology seemed like another step towards paradise. In the end, there are naturally a few downfalls. Our professorial economics proved more effective at making speeches than at controlling our economy.
>
> The seventies should be the decade of realism. Should the minor downfalls of the General Investment Corporation help us to become conscious of that fact, they will have proved useful. Of course, the fanfare accompanying every move of the General Investment Corporation is now likely to create some kind of defeatism in the face of its difficulties. But such defeatism is no more founded than the fanfare.

Mr. Speaker, this shows that the aims of the General Investment Corporation are apparently similar to those of the measure now before us. It should be a lesson to us before we lay the foundations of the Canada Development Corporation.

[Mr. Asselin.]

If moreover, this corporation enters into competition with existing provincial investment corporations their economic influence and power will surely be jeopardized. It is therefore logical, Mr. Speaker, to draw the following conclusions:

First, the government must make sure that the Canada Development Corporation will consult the provinces as to the operation of similar corporations having similar objectives.

Secondly, since the CDC will be wholly financed first through public funds and later on through public outlays, it is essential for Parliament to supervise and control its operation.

Thirdly, why would the law not give Parliament the right to ask this semi-public and semi-private corporation, that will use taxpayers' money, to report on its operation to the people's elected representatives?

Fourthly, how can we avoid that CDC's competition be detrimental to our existing financial institutions such as banks, trust companies, mutual funds and other similar organizations which, thanks to their structure and their operations, have already rendered valuable services to Canadians?

As the hon. Leader of the Opposition said a moment ago, some clauses of the bill are so vague that the government must absolutely accept his proposal so as to enable us to know the CDC's financial structure before creating this organization so important to the Minister of Finance.

Mr. Speaker, I am convinced that the minister is a responsible man since he is in charge of the taxpayers' money. Doubtless he will accept the proposal which was made by the Leader of the Opposition this afternoon and which would enable us to study this bill more thoroughly and to know all its consequences.

But if the minister is so impatient to have it adopted, it is because he is looking forward to the presidency of this new corporation. He hopes to secure a new position for the future as has already been done by the former Minister of Transport who is now the President of the Canadian Transport Commission. If it is so urgent for the minister to get this position, I am prepared to vote right away in favour of this bill.

• (4:10 p.m.)

[*English*]

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this bill to set up a Canada Development Corporation could have been a legislative landmark heralding a new era for economic development in Canada and the maintenance of a much greater degree of Canadian economic independence. Unfortunately, the government has approached the matter both reluctantly and half-heartedly. The minister's speech the other day gave one the impression that he was introducing this measure merely to fulfil some of the political commitments that had been made by his predecessors. Let me just review briefly the history of the idea of a Canada Development Corporation.

The New Democratic Party at its founding convention in 1961 put forward the idea of a publicly owned and publicly controlled Canada Development Corporation as a means of expanding the Canadian economy and of guaranteeing a greater measure of Canadian economic independence. In the election of 1962, we fought the campaign with that as one of the major issues. In 1963, Hon. Walter Gordon, who at that time was masterminding the Liberal campaign, put the concept of a Canada Development Corporation at the masthead of the Liberal campaign. When the government came to office after the election of 1963, Mr. Gordon, who at that time was minister of finance, introduced a measure on June 20, 1965, for the setting up of a Canada Development Corporation. Of course, it caused great distress in the ranks of the corporate establishment. Apparently, tremendous pressure was brought to bear on the newly elected Liberal government and the measure was dropped.

Then, in March, 1966, the present Secretary of State for External Affairs (Mr. Sharp), who then was Minister of Finance, said that the Canada development proposal would be introduced, "as soon as the parliamentary timetable permits." In October, 1966, Prime Minister Pearson denied that this project had been shelved. In July, 1967, the minister of finance of the day, who now is Secretary of State for External Affairs, said that a draft of the Canada Development Corporation bill would be ready for cabinet shortly. In March, 1968, the present Prime Minister (Mr. Trudeau) called the Canada Development Corporation a "valuable tool". It was promised to the people of Canada in the Speech from the Throne in September, 1968. In that month of that year the present Minister of Finance (Mr. Benson) said, "I have the CDC bill in my hand. I expect to introduce it as soon as my fall budget is through." In April, 1969, the Minister of Finance said that he hoped to present a draft of the CDC proposal to the cabinet in the summer.

This has been long awaited legislation, Mr. Speaker, and now it is here. It is a pale version of what was first proposed by Mr. Gordon in 1965.

An hon. Member: It surely is not.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It certainly is a completely emasculated version of what the New Democratic Party has been talking about since 1961. It is quite apparent that the opposition of the corporate elite in this country has forced the Minister of Finance to denigrate and emasculate this concept so that we have before us today a legislative monstrosity. Someone said that a camel is the picture of a horse drawn by a committee bent on compromise. Certainly, that is exactly the kind of distortion that has finally emerged from seven years of Liberal gestation. I said, Mr. Speaker, that this bill is a monstrosity. I say so for three distinct reasons.

First, Mr. Speaker, under this legislation the taxpayers of Canada will take all the financial risks, and a comparatively small group of investors will get the major part of any profits which may eventually accrue to this enterprise. Under this measure the government will embark on what the minister calls a partnership. Speaking on February 22, as reported at page 3640 of *Hansard*, the minister said this about the Canada Development Corporation:

> It will represent a new and significant partnership between the public and private sectors in the dynamic development of our economy.

Let us look at the Liberal party's idea of a partnership. This is a partnership in which the people of this country will put up, under this legislation, initially some $350 million, $250 million in equity capital and a loan of $100 million. In addition, the government will turn over to the corporation the assets of certain Crown corporations, valued anywhere from $300 million to $400 million. This money and these assets are being put up by all the taxpayers of this country, by the poor, the disadvantaged, the ordinary workers, the farmers and old age pensioners who pay taxes into the federal treasury. Yet, if this corporation does not operate successfully, they will lose the money which this government has invested.

Mr. Benson: Mr. Speaker, I wonder if the hon. member would permit a question. He implied that the money invested would be tax revenue raised by the government of Canada. I am sure that he did not mean to leave that implication in his statement. It will, instead, be money raised by the government of Canada through the issuance of bonds.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Of course. Yet surely the minister is not naïve enough to think, and surely he does not think the public is naïve enough to think, that if the government puts $350 million in cash plus all the assets of some Crown corporations into Canada Development Corporation, and the corporation fails, that the Canadian taxpayer will not have to make good the loss. In the event of failure, the responsibility being assumed by the government of Canada will be met by the taxpayers of this country. It is the money of the taxpayers which is being used. If there are losses, the Canadian people as a whole will have to pay. If the corporation is a success, as I hope, then it is clear that the major part of the profits will go to that small sector of the Canadian economy which is able to invest, probably between 7 per cent and 10 per cent of the population of Canada.

When I was a boy we used to play a game called "put-and-take". You put so much into the pot, and if you got a lucky number you were able to take. This bill, too, is like a put-and-take game.

An hon. Member: It is a gamble.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Canadian people will put in the money and take all the risks; and if the corporation is successful the investment groups in the country will take the major part of the profits. This is the liberal idea of a partnership. The government takes comfort from the fact that it will be the largest shareholder and that its share will not go below 10 per cent. It may well be the largest shareholder, but it may not necessarily be the controlling shareholder.

A combination of companies each holding, say, 3 per cent of the equity of this corporation could well form the controlling group. Of the 18 or 21 directors on the board, only four, unless the government chooses the other option, will represent the government. The other alternative would be for the board to vote according to the number of voting shares held; but the government has given no assurance whatever that it intends to seek that alternative.

It is significant that the bill itself provides that the corporation is not responsible to Parliament. The people of Canada are being asked to underwrite a corporation that is not responsible to Parliament, not responsible to the elected representatives of the people. What we are going to have is a partnership in which the Canadian people take all the chances, undergo all the risks, put up in the initial stages all the money and assets and, if this project succeeds, then eventually those who are able to buy stock in this company will own 90 per cent and the Canadian taxpayers will own 10 per cent.

• (4:20 p.m.)

The second reason why I call this bill a monstrosity is that it proposes to sell out four Crown corporations. It proposes to sell the Polymer Corporation, which produces synthetic rubber and which has been a very successful operation; the Eldorado Mining Company; the Northern Transportation and the government's 45 per cent equity in Panarctic Oil. Later, if the government decides by order in council, it will sell Northern Transportation.

The minister has never explained why the Canadian people are being asked to go from 100 per cent ownership of these public enterprises to an eventual 10 per cent ownership. The Canadian people took all the risks. The Canadian people pioneered these projects. They have been brought to a point where they are self sustaining, and in some cases, revenue producing. Why does the government now propose to turn them over to a corporation of which the Canadian people will eventually own only a 10 per cent equity? As his reason for this, the minister stated on February 22, as recorded at page 3640 of *Hansard:*

> Some of these enterprises are in a position where their further growth and development could be facilitated by giving them the greater flexibility to operate and better access to capital markets which would come from CDC ownership of their shares.

Do they lack flexibility now, Mr. Speaker? Polymer Corporation has branched out into a wide variety of activities, even outside this country. Do they lack access to capital? No one in this country can borrow money as cheaply and easily as the government of Canada. The government is really saying that it wants to divest itself of these public enterprises now that they have become successful.

If the government were really interested in developing the public sector of economy, the government could provide both the flexibility and access to the capital requirement to expand these industries rather than turning over 90 per cent of them to the private sector. This means that

the ordinary people of this country whose tax money or credit has been used to develop these Crown corporations are now going to see their share reduced from 100 per cent to 10 per cent. I think that this is a sop which the Liberal government is offering to their friends in the corporate structure at the expense of the Canadian people. This is exactly what the Liberal government did after World War II, when they took Crown corporations which had been set up during the war to provide essential economic services and sold them at firesale prices to the corporate establishment of this country. This action by the present government betrays the Liberal party's bias toward the financial establishment and its basic dislike of public ownership. After this demonstration, let's have no more talk by the Liberal party about its belief in public ownership.

The third reason why I have described this Canada Development Corporation, as envisaged by this government, as a monstrosity is that it will not be an instrument of national policy. The sole value of setting up a Canada Development Corporation is that it should be enabled to do the things which the private sector of the economy has either been unable or unwilling to do. Some years ago when I was involved in the matter of the industrial development agency in the province of Saskatchewan, I visited a number of countries to study the question of government development corporations. Whether you go to the Scandinavian countries, West Germany, Italy, France or Israel, you will find that in each of these instances the government's industrial agency is used as an instrument of national policy to do things for the nation as a whole. This government is proposing to turn that responsibility over to a private corporation in which the maximization of profit will be the principle motivation.

In Israel, where most of the large industrial enterprises are on a tripartite basis, one third of the equity is held by the government of Israel through its industrial development corporation, one third held by the Histdruth, which is the co-operative trade union organization and one third is held by private companies, many of them foreign, which also have the management contract to operate the business. This gives to those areas the best of both worlds. They get the benefit of the technical knowhow, expertise, managerial skill and the patents of private entrepreneurs while at the same time keeping the control of the industry in the hands of the people of that country and retaining two thirds of the profits in the country where it is being earned.

The minister made a passing reference to which I want to refer. I quote from page 3639 of *Hansard*:

> We do not want another fiasco such as the one in Saskatchewan when the present leader of the NDP was Premier of that province.

• (4:30 p.m.)

I am not going to spend the time of the House discussing Saskatchewan. I do not mind if some Liberal backbencher out of a vast sea of ignorance makes comments about Saskatchewan, but the Minister of Finance (Mr.

Benson) has access to the records and knows much better. He has on his staff some of the people who were largely responsible for carrying out the programs and policies of that government. He knows the facts. He knows that in the 20 years in which there was a CCF government in Saskatchewan, all the public sector, that part which was monopolistic, public utilities such as telephones, the sale and distribution of electric power and natural gas, showed a return of 9 per cent. The balance of the public sector, which covered such things as insurance, sodium sulphate, bus transportation and Northern Air Lines, showed a return of 16 per cent. That is not a bad record. Reference was made to the fact that a shoe factory or a woollen mill closed down. Mr. Speaker, the total losses represented less than one per cent of capital investment in the public enterprises, which is a better record than any private consortium can show. As a matter of fact, the sodium sulphate corporation could in one year, making as it does at this time profits of between $800,000 and $900,000 a year, pay off any losses incurred in these other operations.

But profits are not the whole story; there are also the services which were provided to the public. Power rates were reduced four times consecutively. Natural gas was sold to the people of the province at 25 cents per thousand cubic feet less than any private company was prepared to charge and, in addition, communities were served which no private company was prepared to reach.

Mr. Otto: Per cubic foot?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I said 25 cents per m.c.f. less than any private company was prepared to charge.

Mr. Otto: Per thousand.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In addition, there were the jobs which were provided. Investment in the public sector in Saskatchewan provided jobs at much less per employed person than is being spent today by the Department of Regional Economic Expansion which is handing hundreds of millions of dollars to private corporations which are producing relatively few jobs. So, I want no more talk referring to a "a fiasco" in the Province of Saskatchewan.

What should be the purpose of the CDC? It should be used as an economic tool to do some of the things which must be done in this country, and which the present government and preceding governments have failed to do. It should first of all be used to stop the increasing takeover of Canadian corporations by foreign multinational corporations. I agree with my hon. friend from Greenwood; we are not asking the CDC to begin at this point to buy back foreign ownership. This may come in the future. The immediate task facing the government is to halt the rapid acceleration in the takeover of Canadian businesses. The CDC should be doing this. Will such a task be possible, having regard to the very limited control and narrow influence which the government will retain in this company?

The CDC properly constituted, should be designed to help reduce the regional disparities which are tearing this country apart. This does not mean taking industries into areas where they are bound to lose money; if we are to invest money provided by Canadian taxpayers there have to be feasibility studies, we have to make sure that industries which are established have a reasonable chance of success. But a Canadian Development Corporation, properly established, could, on the basis of the necessary studies, having decided what industries are indigenous to the area concerned, develop undertakings which private corporations have so far neglected to bring into being. A properly constituted CDC could speed up the whole process of the rationalization of industry in this country, something which is badly needed. I will not repeat the story which has been recited so often to the effect that we have developed in Canada a branch plant economy producing for a limited market. Contrast this with the achievement of a small country such as Sweden, with a population of 7 million, or Norway, with a population of 3 million. Norway and Sweden have rationalized their industry, specializing in areas which are natural to their resources and expertise, and are presently competing in the markets of the world against the industrial giants. This is what Canada must do, and it can only be done if there is an instrument of national policy which is constituted to achieve that end.

The corporation should be using the savings of the Canadian people to set up industries which will process more of our raw materials in order to provide jobs for our people and give us a better return in world markets. To my mind, this is the most important task which should face such a corporation. Everyone knows that in Canada we are shipping out our raw materials and increasingly divesting ourselves of control over our energy resources. We are shipping to the United States and to Japan the raw materials on the one hand, and the energy resources on the other, to convert our raw materials into finished products which are then sold back to us. For as long as I can remember, it has been Liberal doctrine that if only we had a favourable balance of trade Canada would be wealthy.

Well, we do have a favourable trade balance, the highest in our history. But what are we doing? We are shipping out our raw material at relatively low prices and buying back finished goods at relatively high prices. What is the result? Last year, 200,000 young people came on to the labour market and we could provide jobs for only 77,000 of them. How can we provide jobs when our whole economy is being devoted mainly to extraction industries? The government keeps saying: we need more capital. But this capital goes into the extraction industries which are capital intensive but are not labour intensive. For example, we develop a great coal industry to supply coal to Japan on the basis of automated equipment which needs relatively little manpower to run. We are shipping out iron ore, again an operation which provides relatively little employment; the employment is to be found in turning this ore into iron and into steel and, eventually, into steel products. This is the only way in

which we shall develop a nation; we shall not develop a nation by sitting back selling our raw materials, selling our energy resources, and committing them for years in advance.

One has only to look at what happened last fall with respect to gas. We in this party protested the fact that the government was agreeing to the export of 6.3 trillion cubic feet of gas to the United States over the next 20 years without having given adequate consideration to our own probable needs. Now, what do we find? We find that before a hearing of the National Energy Board the President of Trans-Canada Pipe Lines says: We shall have to ask our customers in eastern Canada not to demand more gas; we are completely surprised at the increased demand in a period of only five months; it has increased by 122 billion cubic feet and we cannot meet this demand. We are mortgaging our energy resources decades in advance and shipping out our raw material. Then, we wonder why we have three-quarters of a million people unemployed.

• (4:40 p.m.)

Under this bill the Canadian economy is being sold out to the corporate elite of this country. There is no guarantee that if the Canada Development Corporation puts money into a Canadian company without having majority control, that company is not going to sell out to a foreign corporation. The Canada Development Corporation will be able to do nothing about the fact that the same company that it has helped to bankroll may decide it is good business to sell out. We might as well face the fact that Canadian business has been selling out to foreign investors, and there is nothing in the bill that prevents them from continuing to sell out.

The Minister of Finance in introducing this measure on February 22 said that it was not the only thing the government intended to do to maintain Canadian ownership. But what other things does the government intend to do? We have not heard a word as to that. Certainly, this measure will not do very much to guarantee Canadian ownership of the major part of the Canadian economy. This is a sell out, not only to the corporate establishment of this country but so far as the expectations of the Canadian people are concerned.

I think the Canadian people expected when the government was talking about a Canada Development Corporation it was going to be a tool which the government would use to make sure that the vast resources of this country were developed by Canadians and for Canadians; that it would be used to expand our economy under Canadian control, to the end that this country might once again have a measure of economic independence, something that is rapidly vanishing before our eyes. Three thousand years ago a wise man said: "Where there is no vision the people perish". If this government stands accused of anything, it stands accused of lacking the vision to do something about the economic plight of Canadians. Canada is a country with more resources per capita than any nation in the world; a country not only with natural resources but with the energy resources to convert those natural resources into consumer goods; a country with a trained labour force and managerial skill; a country which, if it were prepared to plan its economy in terms of human need, could be one of the wealthiest and happiest nations in the world.

This government had a great opportunity to forge an instrument which could be used to build a greater and finer Canada. The government has failed to seize that opportunity. Instead, it presents us with this hybrid that ensures there will be neither public ownership nor private ownership but a mixture which, though it may result in some investors making a few profits, will deprive the Canadian people of what they require, namely a government agency designed to make Canada a great nation with a great destiny, something which our forefathers envisaged but which to date we have failed to bring to fruition.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the act to establish the Canada Development Corporation is no doubt an indication of the desire of the government to make this country's companies more Canadian. We agree of course with this principle. Its good intent must be emphasized and recognized. We have a duty, however, to criticize as objectively as possible the conditions of government action with respect to this development corporation.

The misgivings expressed by citizens of the province of Quebec will be better understood in the light of the results arrived at by a similar corporation established in Quebec a few years ago and known as the General Investment Corporation. My colleague from Compton (Mr. Latulippe) already referred to it. I shall not repeat here the arguments that he put forward.

May I nevertheless, Mr. Speaker, give the basic reasons for which, in my opinion, this act will perhaps not achieve its stated aims. First we must remember this major concept which daily experience invariably supports: the soundness of a concern and its success are based upon the work, the energy and the leadership of its members.

Now nobody can deny the necessity of a large measure of independence in the setting up of a sound company. Shareholders must feel they are competent and fully responsible. Any arbitrary and foreign control will soon paralyse all the good will in the world. Nothing is more serious than relying upon others.

I do not intend to demonstrate the viability of private enterprise as opposed to the financial problems generally encountered in state-owned enterprises, but I shall point out the basic reason why people do not work as much or as well when they know they are working for the government. Taking life easy is in style. Nobody wants to do more than the other guy, and who needs a rat race? In other words, one is less responsible when co-managing a company with the government. From which proceeds the principle that the government must provide assistance—on this we agree, Mr. Speaker—without interfering

Therefore, if we refer to the objective set forth on February 22 by the Minister of Finance (Mr. Benson), we certainly do agree, and I quote:

—help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector of the economy, and

—second part of that objective—

to give Canadians greater opportunities to invest and participate in the economic development of Canada.

• (4:50 p.m.)

Mr. Speaker, we all agree on this point. The question is invariably how and by what means will those purposes be achieved. And since more or less unfortunate experiences have been made, these should not be repeated.

The Minister of Finance stated in his speech on February 22nd that:

Business and industry have entered a new period of internationalism which makes it desirable that there be a number of Canadian controlled corporations with headquarters in Canada and with the kind of institutional strength and management capabilities to compete successfully in Canadian and international markets.

I say again, Mr. Speaker, that in principle we agree with this, but I owe it to myself to emphasize that this hang-up about international trade, international industry, international competition, is worth just that. Some time or other, it will be necessary to revert to a more elementary, more positive, more realistic principle, which is the following: If Canada has everything required to feed and clothe its population, to improve its comfort, in short, all the required manpower to that end, and all the primary resources required, and all we need is funds, we just have to make those funds available for the distribution of goods. And in saying this, I am not merely repeating a Creditiste fad.

When the country's economy is being paralysed under the pretense that we must join the international community of nations, often we go too far in that direction. And it was no doubt in virtue of such a principle that the Prime Minister (Mr. Trudeau) said in New Zealand about a year ago, that we would import more dairy products from that country, and that the Canadian policy in that field aimed at a restriction of local production in order to purchase dairy products elsewhere.

Mr. Speaker, if this principle were implemented, if we accept to stop producing what we were able to manufacture at the same price as in the United States, Europe, Asia, Latin America and Africa, in short, if we totally applied this principle we would have only to remain idle while importing and waiting.

We do know that this is impossible. We must not be haunted by international trade. Rather we should say: We have everything needed here to make products; let us make them. People are ready to consume them, let us give them the opportunity to do so. This is a principle of balance and sound accounting that should have been implemented long ago.

It would also be necessary, before establishing any new firm, to think of laying more stress on assistance to existing industries. In fact, there seems to be very poor co-ordination in the matter. Through the Department of Regional Economic Expansion, we lend haphazard assistance to some firms while we seem to ignore difficulties thus created for other existing concerns.

It seems that it is not so much a matter of bad faith as of poor co-ordination and poor leadership. If certain businesses cannot progress, or even survive, owing to the insufficient purchasing power of consumers, we will not settle the problem by helping such enterprises. We should insist, and in any case this is anticipated as on February 22 the Minister of Finance spoke as follows:

The CDC would seek to achieve its first objective by investing in the equity of existing corporations, by helping in the expansion and establishment of significant new enterprises and by assisting the expansion of existing ones.

Mr. Speaker, I wanted to point out that I agree with that. But, one must surely not forget existing undertakings, and one must surely not favour, through lack of co-ordination, some sort of dead-end in this field, protecting one at the expense of the other or creating a new industry at the expense of others already in existence. As a matter of fact, one must first of all see to what is already there, and help if necessary.

Mr. Speaker, one must always, in everything, naturally with regard to undertakings, in the sense that is meant in the establishment of the Canada Development Corporation, be wary of such direct action by the government. The powers that be may have the best of intentions, but the next year or a few years later, others may have taken their place and their intentions may not be quite the same, and then there may be very dire and disastrous consequences.

I disagree here with the too direct role the government intends to play in that Corporation, especially when we read at page 5 of the statement made by the Minister of Finance and I quote:

During any period when the government's voting shares exceed 50 per cent, of the outstanding shares issued, the Deputy Minister of Finance and the Deputy Minister of Industry, Trade and Commerce will be appointed ex-officio—

fortunately he added:

—non-voting members of the board.

Mr. Speaker, we always look disapprovingly upon this direct action of the political members of the government in undertakings which in a sound economy should be entirely managed by Canadians, but exclusively according to the needs of the people and the spirit of initiative of those who wish to participate in the production. And when we realize that the government is considering direct action such as the minister sets out, we feel greatly reluctant. The minister goes even further when he adds in another paragraph:

Initially the government will be the sole shareholder and it will always be the largest single shareholder. Because of the significant role the corporation has been given by its purposes and objects, the government will want to show a continuing interest in it, and it is expected that the government will always want to hold at least 10 per cent of the voting shares. Thus, it will always be in a position to exercise the degree of influence on the over-all policies of the corporation which would be appropriate to its shareholding at any particular time.

It is clear enough that the intention is to control the Corporation through politicians in government and then—

The Acting Speaker (Mr. Richard): Order, please.

Mr. Matte: Mr. Speaker, I barely need a minute to finish.

The Acting Speaker (Mr. Richard): Five o'clock. Is the hon. member granted the privilege of continuing for a few moments?

Some hon. Members: Agreed.

Mr. Matte: I thank my hon. colleagues.

In closing, Mr. Speaker, I should like to point out that basically I agree with the creation of this corporation. Still, with regard to the means that are to be taken and specially the control the government will exercise, I agree less because what Canada needs, what Canadian enterprises need to develop, to improve, to better serve all Canadians, is precisely assistance to enable them to do more. It is not that Canadians lack initiative, that they are not energetic or industrious, that they cannot achieve that goal; it is always for the same reason: they lack the money, the capital.

That being the case, we could do every bit as well by easing credit. With very low rates of interest, the same results could probably be achieved.

Hoping that the government can lessen the intensity of the role it intends to play, I feel the proposed corporation could be helpful.

• (5:00 p.m.)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty pursuant to Standing Order 40 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Halifax-East Hants (Mr. McCleave)—National Defence—Dockyard employees wage dispute—Intervention of industry specialist—Amendment of offer to remove disparity; the hon. member for Brandon-Souris (Mr. Dinsdale)—Regional Economic Expansion—Incentive grant to Micro-Max products to establish plant in Magog, Quebec—Assistance to Canadian Drug industry; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Administration of Justice—Federal intervention in action brought by teachers respecting British Columbia Order in Council.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills.

[Mr. Matte.]

PRIVATE MEMBERS' PUBLIC BILLS

DIVORCE ACT

AMENDMENT RESPECTING CUSTODY AND MAINTENANCE PROCEEDINGS

Mr. Robert McCleave (Halifax-East Hants) moved that Bill C-30, to amend the Divorce Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, one of the great accomplishments of the Parliament which preceded this Parliament was the act to amend the Divorce Act which was passed in 1967 and 1968. It brought progress in this important field to a country which for many years had suffered under archaic laws relating to divorce. I believe it is a law which has stood up remarkably well, even in changing times over the past three years. Perhaps I might give the reason, although it is not really germane to the debate. We know the British have again amended their divorce act in order to get rid of the so-called fault concept. I suggest to those in this House who might favour this approach that in a large measure we did that when we dealt with the three year breakup of marriage in addition to retaining some of the older fault grounds, such as adultery and cruelty.

There may be a disposition some day to take a look at the Divorce Act and perhaps move entirely away from the fault basis, but I do not believe there is really any burning need in that respect. I think our Act is good. If I were to make any suggestions in respect of improvement I would say we could bring down the cost of divorce to Canadians. A number of cases are uncontested. I suppose about half the cases really do not involve the rights of children or property rights of the husband or wife. In that situation, it seems to me there is a fearful waste of courtroom time and a fearful cost to the people who must go through a rather elaborate legal procedure when something better could be devised. However, I do not suggest that in this rather modest measure we are discussing in this particular hour. What I am suggesting is an area of correction in the present section 11 of the Divorce Act. I believe I have made my argument pretty well in the explanatory notes that accompany both suggested changes.

The first suggestion involves giving some flexibility to the judges when they are in the process of granting a decree nisi. As perhaps everyone is aware there are two stages of a divorce decree. There is the decree nisi in the first instance, followed in three months' time by the decree absolute. The decree nisi procedure is what I am concerned with here. I am concerned about this because, at a meeting in Toronto a few years ago, the judges decided that all the major issues really had to be dealt with at the decree nisi stage in view of the way Parliament had framed this particular provision. In framing it we said that the courts, upon granting a decree nisi of divorce, may do all sorts of things with regard to orders in respect of the custody and maintenance of children and the like. We really did not give the courts flexibility in that regard. I, and other lawyers, have been involved

in cases in which we found we had to wait to get the decree nisi granted because, either we had not dealt with the matter of the custody of the children at the trial or the judge wanted to hear more evidence in respect of the custody of the children. In some cases the order was found to be defective when we tried to enforce it.

The judges have found their own cure for this defect in section 11. They make one dollar orders for maintenance and then it is quite simple under the present act to amend the one dollar order to a larger amount or cut it out altogether. This is a technicality, and sometimes technicalities are the cause of a miscarriage of justice. I am aware of cases where people have been deprived of their children just because of the lack of the two little words in my bill. I suggest that when something like this happens, it is up to Parliament to make a correction.

The other suggestion I make is an equally modest one. However, it has some relevance to those Canadians who move about. This has to do with a provision for looking into an order where a person has moved from one part of Canada to another. In this large country, it is no fun trying to chase down someone and bring him into court when an order is made in a Nova Scotia court and one of the parties has moved, say, to British Columbia. Under the law as we now have it we are left really with the court of original jurisdiction. Yet this country is over 3,000 miles wide and surely we can bring about a change that would help overcome some of the geographical distance.

What I propose here is to add about a dozen or so words, which are underlined on page 2 of my bill. This would enable the court in any province where the party for whose benefit the order is made is residing to look at the original order, confirm it or order changes or variations. One of the really motivating factors which I believe brought about a change in divorce law in Canada, although for years we were sitting around with our knees sort of knocking together when we thought about the process of changing the divorce law, was the idea that we were looking after helpless people and providing for relief to be given to children. There were social injustices, but more particularly injustices involving children of marriages that had broken up and therefore Parliament had to do something about them. Yet, sir, unless we adopt the simple variation that I am suggesting here many women who have moved from one province to another with their children will experience great difficulty if they attempt to vary an order because of changed circumstances. The person has to go back to the province where the order was obtained. I think this is an injustice which can be cured by adopting the formula I propose or by adopting some other formula.

• (5:10 p.m.)

So, it is in the spirit of bringing a new broom to reach into the few musty corners that have developed under our Divorce Act of a couple of years ago that I present Bill C-30 to the House this afternoon. I hope that it, or some measure like it can be tackled reasonably soon. I do not think we have to go into a whole new debate on divorce, but we should always have some care for good housekeeping. We should spend some time during our private member's hour to cure some of the little but griping defects that crop up in our legislation from time to time. I hope that I will not bring down the heavens or a full scale, dramatic debate on divorce by simply suggesting these two small but important areas of reform.

[*Translation*]

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I have had the opportunity—and I could say the privilege—to give marriage preparation courses for 12 years and even though I do not claim to be an expert on the question, I find the subject matter of my hon. friend's proposal quite interesting.

At the outset of my remarks, I wish to deplore the ever increasing number of divorces and the regrettable situation which is thus being created.

It seems to me, Mr. Speaker, that this intolerance between spouses, between children and their parents, is one of the causes of the problems we are facing in our modern society.

In my view, divorce is a plight, a situation which in principle should not be considered as normal. All too many people tend to consider divorce and its consequences as a normal situation and I wish to take exception to the attitude of some people for whom marriage is a situation which is not necessarily to be chosen by the majority of the people living on this planet.

I think, Mr. Speaker, that marriage is indissoluble. This should not lead anyone to conclude that I am unable to comprehend particular situations and the difficulties of some people who have chosen matrimony by interest, who have chosen to spend their lives together without first weighing the consequences of their action.

I am convinced that an adequate preparation for prospective spouses and an accepted adaptation can overcome most problems. Incompatibility of temper is undoubtedly something that can be foreseen but, what often happens is that people through self-interest or for considerations other than that of living together decide to get married.

Mr. Speaker, marriage courses are an institution that should be generalized. As a matter of fact, they are becoming more and more popular. They enable an engaged couple to know each other better and prepare themselves better for their new life. They enable individuals to realize, before it is too late, the impossibility of living together and the possibility of re-examining their choice.

Mr. Speaker, I believe one must try to face the present situation with a little more realism and that is what I will endeavour to do even after pointing out that although divorce bears the stamp of law, I believe it remains a situation that I consider, as a matter of principle, abnormal, even if I may admit that some individuals have no other alternative.

Mr. Speaker, the new Divorce Act corrects a distasteful situation. Formerly obliged to plead their case in Ottawa and to prove adultery on the part of the spouse, people from Quebec especially did not easily reconcile them-

selves to divorce, but the marriage institution, one must admit, did not fare any better there than in other provinces.

We merely pretended to ignore it. Simplified as it is, divorce is nonetheless a serious decision that is far from amusing. A love story ending amidst the gloomy setting of a court is nothing to be envied.

An act likely to weaken the family, the basic unit in our society, and involving serious consequences for two adult people and their children, must, first of all, be scrutinized. It is worth knowing all about the divorce machinery and trying to learn what becomes of the individuals concerned, in such a case of permanent separation.

However, in divorce, the women are the losers. First, there are four times as many women as men available in this country; besides, because they look after the children, women accept heavy responsibilities, morally and materially. There is all the difference in the world between taking two children out on Sunday afternoon and looking after them each day of the year, answering all their questions, facing their emotional problems, explaining to a young daughter why her father is not always there, as her little girl-friend's father.

Mr. Speaker, in Quebec the family has been for some years submitted to tremendous pressures which are leaving it shaken to its very foundations. Social changes and new ideologies have both contributed to reduce significantly its traditional importance. The role of the family is different now. Contacts between its members are not so frequent and generally not so rewarding.

Even though these facts may be explained, it remains that the family is now undergoing a delicate period of adjustment. It should also be recognized that a couple's life, mainly in the cities, has become harder. Formerly marriage had a precise meaning for all Catholics. A man and a woman got married for better or worse without worrying too much about a possible separation if the worst was to overcome the best.

The Divorce Act no doubt reflects a weaker religious faith. This act has changed everything. In 1971, when serious difficulties are met, the spouses are very much tempted to resort to the final solution. In this context, perhaps we should not be surprised at the bishops' statement who deplore the present situation of the Quebec family.

The document issued by the Canadian and Quebec episcopate on the occasion of its quarterly meeting is quite clear. Among the events which influenced our people's way of thinking is the provincial legislation which permits marriage before a civil officer and mainly the federal legislation which multiplied the reasons for civil divorce and its implementation in Quebec courts.

To say that the bishops cannot but condemn divorce would be quite easy. The problems created by divorce for the spouses and the children are real and recent statistics are worth considering. From July 1, 1968 to September 9, 1970, 11,030 civil divorce cases were recorded in Montreal and 1,817 in Quebec.

• (5:20 p.m.)

When the law was implemented, it was believed that the number of divorces would decline after the first year. Now, after more than two years, requests for civil divorce continue to increase at an alarming rate. Each month, requests number about 500 at the Montreal record office—at the end of 1970 yet.

In their pastoral letter, bishops avoided denouncing directly the law authorizing divorce but did mention its serious consequences. Under the circumstances, they were right in asking the state to formulate and apply a policy likely to prevent family problems which prompt married couples to divorce.

The suggestion of my hon. friend comprises two points. The first is concerned with adding words which, in some way, would allow the court or the judge who will grant a decree nisi not to rule immediately on the matter of alimony or custody of the children. In the present situation, upon granting a decree nisi of divorce, the judge may, if he thinks it fit, and having regard to the circumstances, make an order requiring the husband to secure or to pay such lump sum or sums owing to the wife or the children.

I do not believe that the proposal of my hon. friend is acceptable, not because the judges have already expressed the opinion that it would not be advisable not to make such an order at the same time as the decree nisi, but simply because while hearing divorce cases, it is desirable that the debate be decided at the same time, and that the judge who must decide whether or not a divorce is advisable, may at the same time render a decision as to alimony and custody.

It seems essential to me that the judge who must decide to grant the divorce or not be empowered also to render a judgment on those important matters of alimony and custody. It would be a mistake, I think, to try and separate the two questions, since divorce invariably brings about the problem of the custody of the children. And if a judge, for some reason or other, had to decide on a divorce and not on the custody of children at the same time, truly abnormal and irregular situations could arise which would eventually be detrimental to the children. And the most important thing to be decided in these cases is not so much the divorce but the implications it bears for the children.

I suggest then that my hon. friend's proposal, although I do not deem it ridiculous—on the contrary, it makes some sense—is not at all desirable.

As far as the second proposal of my hon. friend is concerned, it seems quite justified to me at first sight. When two people get a divorce in one province and if the person in whose favour the divorce has been granted leaves that province afterwards, there might be practical difficulties involved for the person wishing to go to court again because of the distance and the different circumstances in which that person may be. The financial implications for anyone who has had a divorce in Quebec and who would be residing in British Columbia might well prevent her from obtaining justice for herself and

for her children if due to the circumstances she were justified in requesting a change in alimony or new arrangements for the custody of the children.

Mr. Speaker, I am not in a position to say whether from a constitutional point of view this would involve insuperable difficulties. However, I would simply like to say that at first sight, the suggestion made by my hon. friend seems fair and reasonable and it would be easy to propose some amendments to the act that would help solve this problem.

In concluding, Mr. Speaker, allow me to say this: There can be no substitute for personal individual effort. It is the duty of every Christian to carry out fully the values of his marriage commitments.

Christian parents are to give their children the example of a union lived in faith and love; that is one of their responsibilities, and an irreplaceable one.

A sound preparation should reveal to future spouses that the depth of their mutual commitment will ensure their faithfulness.

Judges and lawyers, as the law requires of them, should give positive assistance to people in view of reconciliation, informing them, if necessary, of agencies and means available to help them.

All agencies involved in family problems should unite their efforts and co-operate actively in order to avoid dispersal of available resources and I am aware of the tremendous work they have already accomplished.

It is the state's duty to develop and apply policies likely to prevent the evils we have referred to. We cannot but support here what many others have already been calling for: the establishment of a "family court". The concrete terms of the organization and operation of such a court are the work of experts. They will no doubt find a source of inspiration in existing organizations.

I hope that this court will be able to solve distressing familial problems in a more simple way than presently.

Family problems in modern society are acute. I hope that, all together, we shall have the courage to face them and find efficient solutions in keeping with today's world.

• (5:30 p.m.)

[*English*]

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, it is a privilege to follow the hon. member for Lapointe (Mr. Marceau) who has eloquently dealt with the bill before the House. I think that the bill presented by the hon. member for Halifax-East Hants (Mr. McCleave) has a great deal of merit, particularly in respect of new section 11(1). As we know, the evidence in divorce cases is usually prepared thoroughly yet often the parties are ill-prepared to consider the welfare of the children; therefore the trial judge cannot easily dispose of this matter. The trial judge also faces difficulties respecting alimony and support.

New section 11(1) contains the words "or after" and the first part of it reads:

> Upon or after granting a decree nisi of divorce, the court may, if it thinks it fit and just—

And so on. If the evidence respecting the children has not been properly prepared, and if the parties have not been as careful and as frank as they ought to have been regarding that evidence, the judge in my opinion ought not to be hasty in making a custody order. In such cases he might make a serious error.

We must consider several matters if the court is to be given the power not only of deciding on divorce but also on the children of the marriage, as is proposed in this bill. In Ontario there is an office known as the official guardian. The official guardian is an officer of the court and employs welfare officers who investigate the cases of children concerned. They are supposed to do their jobs thoroughly. Sometimes they do not do so. I submit it would be wrong for us to say that the divorce ought to be delayed merely because a careful judge—and most judges are careful—considers that the report of the welfare officer is fragmentary and he is suspicious that one or more of the children is being neglected.

I say by all means let the divorce go through, but allow the court to determine the issue of custody after there has been care and preparation in bringing forward the evidence. I regret that in some provinces there is no official guardian to investigate the welfare of the children concerned. I hope that all provinces will take this great step forward which is so necessary if one is to look into the welfare of children. I firmly believe that in the matter of custody the welfare of the child is paramount. Before I deal with the second matter raised in the bill—and it raises many interesting points—I should like to read proposed new section 11(2):

> An order made pursuant to this section may be varied from time to time or rescinded by the court that made the order or by the court for any province where the party for whose benefit the order was made is residing if it thinks it fit to do so having regard to the conduct of the parties since the making of the order or any change in the condition, means or other circumstances of either of them.

Let us suppose that the husband is awarded custody of two children by an Ontario court and he and the children are living in Ontario. Then the wife moves to British Columbia and before moving, pursuant to the Ontario judge's order, obtains access to the children for two weeks. She moves to British Columbia and the children go with her. Then let us suppose that the wife becomes ill, needs assistance in supporting the children and cannot get them back to Ontario. I submit that in this case the husband would be in difficulties. Which court would have jurisdiction over the children? I maintain that in order to safeguard the welfare of the children the province in which they normally reside ought to have jurisdiction.

The circumstances I have outlined would create great difficulties for the parents. Is the wife to be permitted to go to the British Columbia Supreme Court and obtain an order for the children? She may not be a fit and proper person to have their custody. And what is to happen to the husband who is in Ontario? He might apply to the Ontario court for an order to enforce his rights provided in the original judgment. Which order is to prevail?

The hon. member's bill contains the germ of a good idea. I do not wish to throw mud on his proposal because it heads in the right direction. We recognize, in other words, that people move. When they move, their circumstances sometimes change. We must therefore find a way of dealing with conflicts created by modern times. I commend the hon. member for his thoughtfulness, yet I am afraid that his suggestion will not do in its present form. Two fighting parents could use this law to prevent the course of true justice. Supposing the original Ontario court order provided alimony for the wife of $300 a month: if the wife moved to British Columbia and obtained an order for $500 a month, which of the two court orders would prevail? This section does not make provision for that situation. Perhaps we should give paramountcy in financial matters—that is, alimony to the court where the original order was made. In matters of custody, paramountcy should be given to the court having jurisdiction where the children reside. In any event, we are plagued today with a mobile population, difficulties of communication, difficulties of finance and all the other matters that weigh on the problems of broken homes and these unfortunate people.

• (5:40 p.m.)

The rights of the children must be strictly and zealously guarded by more up to date Children's Aid Society reporting and more skilled and conscientious social workers being brought into this problem. There are signs of this being done. I think that Ontario has a reasonably good family court system; it is improving all the time. With the young offenders legislation and statutes like it which I hope will be before the House soon, we will improve our discipline of children. On the matter of reorganization of the courts, great consideration is being given to granting county court judges jurisdiction over divorce. I hope that these judges will maintain, under the surrogate court act of Ontario, jurisdiction over the custody of infants.

Perhaps the county court judge is better fitted in many ways to deal with divorce, custody, alimony and problems of broken homes. He is in some ways a little closer to the people in the sense that he lives in the community and is not a roving judge as are the trial judges of many of our supreme courts. Perhaps the criteria should be that the county wherein the parties reside should have paramount jurisdiction over custody, and the court granting the original alimony order should be the one to decide on problems of alimony and financial questions.

This is a very interesting problem. Divorce reform has moved forward rapidly. I can honestly say that the cases I have heard about in my area have not created a flood of abusive types of divorce. Many people who were unfortunately separated and whose marriages were completely sundered have been able to obtain a divorce without adultery being the only ground. From what I have heard there has not been a flood of divorces in the sense that every second or third family is rushing to get one. I think the bona fides of the situation have been well received by the community at large.

[Mr. Gibson.]

By and large we have progressed a great distance toward more humane laws. We have failed in respect of the problems raised by section 11(2) because that section presents a technical barrier to justice—conflicting jurisdictions; which court shall have power. It is our duty and responsibility to struggle with any technical problem as to which court has power. I think the only forum wherein this problem can be solved is a federal-provincial conference. Perhaps the Prime Minister (Mr. Trudeau) and the Premiers of the provinces should study the matter and establish throughout Canada a uniform jurisdictional system for divorce, alimony and custody. I think that would be useful and, in light of what my hon. friend indicated, I believe he would like to see it come about.

The judge should not be pressured in a situation where he has very little evidence. He should not be forced to decide divorce and custody issues as well as financial matters if the evidence is not there. We can be almost certain that evidence as to the breakdown of the marriage will be there. There are problems in the far north, the Northwest Territories and the Yukon. These areas were visited by the Committee on the Constitution. There were complaints that spouses had moved many hundreds of miles away and there was no way of obtaining speedy justice. I hope this Parliament will seek ways to improve the system of helping people in remote parts of Canada to obtain speedier and less costly relief than at present. Many people in the far north are unable to receive speedy justice. Their children are in the same boat. We should have a legal aid system which will assist, in particular, the children of broken marriages in the far north.

I commend the mover of this bill. I cannot agree with the details of section 11(2) but I think it is a very thoughtful and interesting proposal.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, once again in private members' hour we have a bill which presents a very useful suggestion, which we support. It seems there is unanimous agreement on either one of two points, either that the bill should be passed as is or at least that the first proposal should be accepted and that further consideration should be given to the second proposal. I hope the traditions of private members' hour will not be like the laws of the Medes and the Persians, namely, that hon. members have to talk everything out. On occasion, a proposition like this does move to a further stage. To give the House that opportunity, I wish to present an amendment. I therefore move, seconded by the hon. member for Surrey (Mr. Mather):

That Bill C-30 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs.

The phrase "be not now read a second time" sounds unfriendly, but it really is not. We sometimes use this device to see that a bill which hon. members are not quite ready to pass will get further consideration in the committee. I spoke to the hon. member for Halifax-East Hants (Mr. McCleave) about this. He recognizes that this is a friendly gesture. I hope the House might favourably

consider this amendment so that the Standing Committee on Justice and Legal Affairs can give further consideration to this bill.

• (5:50 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the bill before the House is of particular interest to the first society that ever existed on this planet—mankind.

If I correctly understand the origin of man on earth, the family is of divine institution and constitutes the foundation of our society. Even though according to what we were taught, society has been established by God, it is nonetheless made of human beings, therefore subject to imperfection. At times difficulties arise between people who were married when they were really in love but who, owing to such difficulties, have reached the point where governments have authorized the breaking up of their marriage in order to enable them to have a new start in life, if possible and if they so desire.

The bill before us provides for a change which deserves careful consideration, as we are indeed placed before an accomplished fact.

Divorce was sanctioned by civil legislation. It happens that divorces are recognized by judicial powers. Following these divorces, the family, the children, have to face problems.

I have just read an amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) to the effect that the bill should be referred to the Committee on Justice and Legal Affairs. I think that this suggestion is useful. Indeed, we cannot allow ourselves to consider lightly a bill with such a wide scope and we must take all necessary means to assure that the children issued from more or less successful marriages which are finally dissolved will see their rights recognized by society, in order that they can lead a normal life.

Mr. Speaker, I think that such a question should be duly referred to a committee for thorough consideration and report and this would allow us to lessen the effects of divorce while those infortunate families and children who have to suffer from their parents' divorce could take advantage of the protection to which they are entitled and lead a normal life in our society.

[*English*]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, in my view the bill before us is a good example of the type of subject which is well brought before the House in this hour. The hon. member for Halifax-East Hants (Mr. McCleave), a lawyer by profession and very well regarded in this chamber, has given us the benefit of his experience in the application of the law and has proposed two specific amendments to it.

I believe this is the first time he has presented this bill to the House, and the debate has been most interesting. I was interested in the comments of my hon. friend from Hamilton-Wentworth (Mr. Gibson), in the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) and in the comments of the hon. member for Bellechasse (Mr. Lambert). It is clear that a number of improvements could be made to the law.

Canada Development Corporation

The second provision of the bill before us attempts to deal with the situation in which one of the parties to a marriage takes up residence in another province of Canada. As the hon. member pointed out, there is serious restriction under the present law because amending procedures can only be undertaken in the province in which the original jurisdiction lay. I am not sure I understand the full purport of the hon. member's amendment. I think he has tried to say that a remedy can be sought in the courts of the province where the party for whose benefit an order is being made is residing.

My hon. friend pointed out situations in which a possible conflict might arise in determining which of the parties was deriving benefit. The phrase might have application to both parties to the original action. This should not in itself impair the attempt the hon. member is making, because he has drawn attention to a very real grievance. I hope the result of this hour which has been spent in the House will be to provoke an examination in the press and elsewhere to determine whether the particular provisions put forward in the bill are the most appropriate.

Only a limited number of bills can go before committees of this House for examination. I agree we have to seek means by which bills are screened, to discover those of particular merit. This is as meritorious a bill as I can conceive. The problem of screening private members' bills in order to bring before the committee structure those which are attempting to deal with issues in a practical way is one which has not yet been resolved to the satisfaction of members of this House. I hope, however, that after this debate has encouraged an examination of these questions and an evaluation of public opinion on the subject the comments made by those who examine the record will assist the hon. member and others to persevere in their efforts, because I am confident that some measures will be adopted. I hope the hour's debate in which we have taken part will lead to further action.

The Acting Speaker (Mr. Richard): Order, please. The hour for private members' business having expired, I do now leave the chair. Unlike other less fortunate people, our separation will be short. In the circumstances I will say, "parting is such sweet sorrow".

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Develop-

ment Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs, and the amendment thereto of Mr. Saltsman (page 3648).

Mr. Cliff Downey (Battle River): Mr. Speaker, we have heard a great many words uttered on the subject of the Canada Development Corporation. A great many members who said they agreed with the principle of the bill nevertheless wondered how it might work in practice when it came down in realistic terms to financing and to human personalities. Many aspects of the bill that could be questioned and many of the fears people have of this type of legislation have already been outlined; indeed, my leader, the Leader of the Opposition (Mr. Stanfield), expressed them very thoroughly this afternoon.

I do not propose to belabour the reasons why this bill will not work. I must say I have a certain amount of agreement with the principle of the bill even though in practice it will be completely impractical because of the personal conflicts that will make the legislation unworkable. But in looking at a measure such as this I do not believe you can oppose it absolutely without putting forward some reasonable alternative.

I am not going to attempt to cover the ground already traversed by other speakers in the debate during the past week or so. This afternoon the leader of the New Democratic Party, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), expressed some concern over foreign ownership in Canada and contended that we should process our natural resources here in Canada, thus creating more jobs and industries which would, if not wholly, at least partially solve our unemployment problem.

To my mind the important thing is not where the ownership of corporate entities lies; it is more a matter of how the capital and the profits made by these corporations are employed once the corporations are created. I believe this boils down to the philosophy of wanting the state to go into the business of manufacturing goods, creating wealth in this country and then distributing it to each individual according to his need. I do not believe the state should be involved in this sort of thing. Rather than the state looking after all things for all men, manufacturing goods and distributing them to each according to his need, I believe an alternative solution can be worked out.

• (8:10 p.m.)

I support the philosophy that the individual is paramount and that the main role of government is, in addition to keeping the peace and maintaining national security, the development and maintenance of a social, economic and political climate in which the individual can achieve his or her fulfilment. As an alternative to the doctrine of socialism, where the state takes all and distributes to each according to his need, we must recognize that in a technological society such as ours, the capital instruments of production—the machines and devices that produce—are rapidly supplanting labour as the major producer of wealth. We should also recognize that there are only three ways in which an individual can support himself and his dependents: by his own labour power, by the earning power of his capital or by a combination of both. It should be the policy in the future to encourage and facilitate by every means possible the widest possible individual ownership of capital, particularly the ownership of common or equity shares in our many well established companies.

[The Acting Speaker (Mr. Richard).]

I support this idea, and in this vein I want to read to the House some remarks made by Mr. Frank Capon, vice-president and director of Dupont of Canada Limited in a speech he made at St. Louis, Missouri:

> We have come full circle. Originally, security was based on ownership of land, which was capital. Today, security can come only from the ownership of the machines which produce incomes, which is still capital. Unfortunately, we allowed ourselves to get trapped in a fallacy that it was labour, or the human element, that produced the goods of the industrial revolution and that job security was therefore a legitimate and, in fact, vital right of the citizen. We must now make the choice. Either we recognize that most wealth is, and always was, produced by capital and that the security which is an innate need of the human animal can be satisfied only by ensuring a broad ownership of capital amongst our households. Or we will hold stubbornly to the concept that wages are the proper basis for wealth distribution, that job security is essential, that workers have the right to stop our whole economy short as they strike to enforce demands, and that the state will finally "guarantee" to all an income above the "poverty" level.
>
> It is precisely because we are still on the latter course that we see the upsurge of irresponsible wage increases, the dramatic growth in strikes particularly against the community as a whole rather than against individual employers, and the inevitable destruction of our currency values by inflation. Already, interest rates have been pushed to historic highs, endangering the ability to finance government and industrial needs by bonds which are a cornerstone of our entire structure. The tolerance of all our people against hardship, poverty and unemployment was never lower, because they have been assured that we now have the ability to create affluence and that governments can be relied on to give them guaranteed incomes. In desperation youth, coloured people, unionized workers, and even school teachers turn to violence in their frustration at the absence of any effective leadership in the solution of our basic dilemma. Man must have security, even if in the final analysis it is only the security of knowing that everyone is in equally desperate straits.

We must look at the situation and recognize the fact that if we are going to perpetuate the free enterprise system as an alternative to socialism, we must design some method of increasing capital ownership and capitalists in this country. This is very basic to the direction we are heading today. I repeat, if we continue to follow the direction we are following today, we must think in terms of creating more capitalists in Canada. We must ensure that more individuals become owners of the common and preferred stock of established companies.

An alternative to socialism as proposed is the establishment of a type of insurance company or consortium of companies to ensure individual and group loans to Canadians by existing financial institutions in order to buy newly issued common stocks of publicly listed Canadian companies. I suggest that one precedent for this would be insured house mortgages under the National Housing Act, with government backing.

I suggest that it might be possible to use the ten blue chip stocks in Canada—those companies that have the best growth performance in this country—in order to ensure this type of investment. If we look to the performance of our ten top Canadian companies I suggest it would be much easier to guarantee these stocks than it would be the stocks of individual houses. One does not know the type of ownership he will get in respect of a house, in stock terms. To use the terminology of the range, it is easier to kick hell out of a house than it is to kick hell out of a house financed by ownership stock. This should be borne in mind. It would necessitate amendment to the Income Tax Act to exempt from corporate income tax the new common stock issues that companies issue to finance their corporate expansions, provided that all earnings, less depreciation and other approved allowances, were paid out to the new stockholders.

This would enable the new stockholders who have borrowed the money to buy stocks to repay their loans and the interest thereon from the earnings of the stocks rather than from their own pockets. There is some precedence for this. I refer to the rapid depreciation that is now being allowed in respect of plants being built in designated areas.

• (8:20 p.m.)

I believe when we look at the earnings of the top ten companies in Canada we will see there is a net earnings picture, before tax, of something between 16 per cent and 33 per cent. From the evidence in the United States it would seem that 90 per cent of the capital expansion of companies comes from late earnings, and 10 per cent from new share issues. I suggest that if these companies were to pay out to the shareholders the 90 per cent they now retain and finance their capital expansion through new shareholdings, it would be possible for all the basic participants in industry to get a part of the action. Obviously, loans will be insured only for the purchase of new common stocks approved by the insuring company. I think this would cover most of the new stock issues of most mature Canadian companies.

I suggest, in order to prevent what we might term the greedy taking advantage of this socially desirable situation, the purchase of such stock by individuals should be limited to perhaps $2,000 per year per adult up to a certain date each year, and that thereafter the individual's limit be progressively raised until all the new issue is purchased. The companies whose stocks are not approved by the insuring companies of course will have to be financed in the conventional way.

I hate at this time, because of the present situation, to refer to the growth trend of companies but I should like to refer to the pre-Benson days when things were running along normally in this country and the businessmen did not have the wits, as we might say, scared out of them. I could refer to the growth of the economy in Japan, as an example. The growth of Japan is probably the most dynamic in the world today. The Japanese economy has been expanding since World War II, for the last 20 or 25 years, at an average rate of more than 9 per cent per year. I think it was only last year that it reached something like 13 per cent. Practically all this growth has been financed internally in Japan.

I suggest that the situation in Japan bears looking at. I see no reason why we could not create the same type of performance here in Canada, with the type of country and people we have. I do not think what I am suggesting can be brought about overnight; I believe it would probably take a decade or more to accomplish it. However, if we could establish the policy of a second income, I believe this would automatically reduce one of the many problems we have today. I refer to such things as welfare and strikes. In this way the factory workers would participate in industry, would be shareholders in industry and would feel they were part of the situation.

There are a great many government hand-outs in the society we have today, but I say again a permanent solution cannot be found in the present method of redistributing wealth, which I suppose is based on what we might term the Robin Hood principle of plundering some to give to others. In addition to plundering some to give to others, we have the government stealing from us all through inflation. This is a continual process. No one can deny that these factors are present. We are witnessing this every day, and it is growing.

In contrast, the suggestion I have made is based upon the principle of helping our people become self-supporting by participating in the economy both as workers and owners. Under these conditions I think we would find that social strife would reduce rapidly because people would be more content to do their own thing. I do not believe they would be continually attempting to get a bigger piece of a limited economic cake by means of coercion by government, by groups and by labour unions. I am suggesting that anybody in this House who believes in the principle of free enterprise, and who believes that the government should not merely take over and distribute everything, would agree—when I say everybody, I include all parties in this House—that we should see that the workers have a piece of the action. We have to make more capitalists in this country. I sincerely believe this is the only alternative to what might ultimately become a completely socialist state.

Some hon. Members: Question.

Mr. Speaker: Is the House ready for the question? The question is on the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Division

• (8:30 p.m.)

The House divided on the amendment (Mr. Saltsman) which was negatived on the following division:

YEAS

Messrs:

Barnett
Brewin
Burton
Douglas (Nanaimo-Cowichan-The Islands)
Gilbert
Gleave
Howard (Skeena)
Knowles (Winnipeg North Centre)
MacInnis (Mrs.)
Mather
Orlikow
Peters
Rowland
Saltsman
Skoberg
Thomson (Battleford-Kindersley)
Winch—17.

NAYS

Messrs:

Alexander
Alkenbrack
Allmand
Andras
Asselin
Badanai
Baldwin
Barrett
Basford
Beaudoin
Béchard
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Brown
Buchanan
Caccia
Clermont
Cobbe
Code
Comeau
Comtois
Corbin
Corriveau
Côté (Richelieu)
Crossman
Crouse
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Dinsdale
Dionne
Douglas (Assiniboia)
Dubé
Dupras
Duquet
Émard
Forest
Forget
Forrestall
Fortin
Foster
Francis
Gauthier
Gendron
Gibson
Givens
Godin
Goode
Goyer
Gray
Grills
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Haidasz
Harkness
Hopkins
Horner
Howe
Hymmen
Jamieson
Jerome
Kaplan
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Laing (Vancouver South)
Lambert (Bellechasse)
Lambert (Edmonton West)
Langlois
Laprise
Latulippe
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lind
Loiselle
MacDonald (Egmont)
Macdonald Rosedale)
MacEachen
MacGuigan
MacInnis (Cape Breton-East Richmond)
Mackasey
MacLean
Macquarrie
McBride
McCleave
McGrath
McKinley
McQuaid
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Matte
Mazankowski
Monteith
Morison
Munro
Murphy
Murta
Noble
Noël
O'Connell
Olson
Orange
Osler
Otto
Paproski
Peddle
Penner
Perrault
Prud'homme
Ricard
Richardson
Ritchie
Roberts
Rochon
Rock
Rodrigue
Rondeau
Roy (Timmins)
Ryan
Scott
Simpson
Skoreyko
Smerchanski
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Okanagan-Kootenay)
St. Pierre
Sullivan
Tétrault
Thomas (Maisonneuve-Rosemont)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Whelan
Whicher
Woolliams
Yanakis
Yewchuk—161.

[Mr. Speaker.]

• (9:00 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, it will come as no great surprise to hon. members to learn that I intend to move an amendment, the one which was telegraphed ahead today by my leader. I had been waiting in the hope that the Minister of Finance (Mr. Benson) and members on the government side would recognize the validity and usefulness of such an amendment and approach me during the supper hour to indicate that they would accept an amendment to the bill along those lines.

Some hon. Members: Hear, hear!

Mr. Baldwin: Their failure to do so compels me to go through the formality of moving the amendment. Many hon. members, including myself, have wondered why this bill was moved at this time. We have heard the valid and articulate reasons advanced by the Leader of the Opposition (Mr. Stanfield) for the amendment I am going to move. Why else did the Minister of Finance choose this particular time to move this bill? I wondered about this until I read the press release which accompanied the introduction of the bill for second reading. It is magnificent document, a tremendous document.

Some hon. Members: Hear, hear!

Mr. Baldwin: What happened? The Canada Development Corporation has been in the process of gestation for eight years.

Some hon. Members: Oh, oh!

Mr. Baldwin: I assume that when the Liberal government first came to power, they prepared this press release and it has been lying around ever since.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wonder if we could have peace and quiet in the chamber. It is difficult for the Chair to follow the hon. member's statement.

Mr. Baldwin: Suddenly, the Minister of Finance, having a few spare moments when he was not employed in his other activities, reached into a drawer, pulled out this press release and read it. What did it say? Let me read in part its beautiful language:

> This government believes that there is a role to be played by a new institution, backed by substantial sources of Canadian capital and managed by skilled, experienced Canadian entrepreneurs, to help make possible fuller Canadian participation in the growth and development of Canada. Such an institution will be able to work closely with other members of the Canadian business and financial community and provide Canadian entrepreneurship with the access to more substantial concentrations of Canadian capital required to ensure a greater Canadian presence in the growth of our own economy.

Some hon. Members: Oh, oh!

Mr. Baldwin: So it goes, Mr. Speaker, nauseating page after nauseating page. What happened? On reading this press release, the Minister of Finance said, "A press release like this demands a bill to support it." That is why we have this bill today. He felt that such a press release should not be abandoned in the arid atmosphere of the Minister of Finance's drawers.

Some hon. Members: Oh, oh!

Mr. Baldwin: I mean his desk drawers.

Some hon. Members: Oh, oh!

• (9:10 p.m.)

Mr. Baldwin: Every time the Minister of Finance gets up to propose a bill—and I told him this today—I begin to wish that this nation were wearing a chastity belt.

Some hon. Members: Hear, hear!

Mr. Benson: You have been reading English newspapers.

Mr. Baldwin: There might be one area in which a bill of this kind could be useful. Many years ago I recommended something like this: there is a place, a limited place, for risk capital being supplied at the behest of the government; that is, in the case of northern development. The minister did not mention that in his press release. Many years ago I had the pleasure of attending a meeting in Edmonton in connection with northern development. At that time it was pointed out by people prominent in the business of investment capital that though the development of the north was essential, capital was not prepared to go into the north because of the high level of risk involved. At that time I proposed that a limited area of legislation of this kind might well be developed for the purpose of helping the north.

Mr. Benson: PanArctic.

Mr. Baldwin: The minister is being ludicrous, as usual. There is no connection. This bill, as my leader said today, is premature. It serves no useful purpose at this time. When we as members of the House of Commons are presented with legislation, we must ask ourselves: What evil is it intended to remedy? What difficulty is it intended to cure? Is it likely to achieve the results intended? On this occasion the answer from these benches must be a resounding no. We say the bill in its present form cannot cure the defects to which reference has been made in this debate. Nevertheless, we are prepared to consider what is proposed as far as principles are concerned. What the government now proposes is like giving aspirin to a man with a broken leg, or trying to cure pregnancy by applying vanishing cream. It just won't work.

An hon. Member: That's a good one.

Mr. Baldwin: It is for this reason we have suggested that the House, through the instrumentality of one of its committees, examine what is proposed in light of certain information. We know that the Minister of National Revenue (Mr. Gray) will, shortly we hope, be bringing before the House and the country a report dealing with the whole vexed and difficult question of the national ownership of our resources. There is a real problem here. We recognize it; all the speakers from this side of the House have said so. My leader stated it categorically this afternoon. We want the remedy to be an appropriate one and applied in the light of proven, established facts. We do not yet have those facts. We want them before we continue with this bill. This is why the Leader of the Opposition suggested that an amendment at the present time could profitably be put forward.

After all, this is not only a Canadian problem; it is a world problem. It has arisen in the United Kingdom and in all the countries of Europe. The other day I was reading in the last issue of the *World Federalist* an interesting article entitled "The multinational corporation." Before I move the amendment I should like to read part of this article as follows:

> No scheme of world order can afford to neglect either the enormous power controlled by the multinational corporations, or the special problems created both by the artificial nationality of each corporation and by the real national citizenship of the individual members of its managerial elite.
>
> The first step in dealing with this problem is to recognize the reality that exists—the condition of anarchy, in which each multinational corporation is very largely a law unto itself. This reality was succinctly stated by the Barber commission (a Canadian royal commission study of prices of farm machinery):
>
> "These multinational corporations are independent of the national authority of individual countries. At the present time no international authority exists which can exercise control over them."

The article suggests three approaches, and I deal with this because it becomes apparent that the issue we are considering is not one which is peculiar to us; intellectuals, academics and politicians all over the world, particularly in the west, are deeply concerned about it. Here are the suggestions which are made in this article:

> A supranational organization, an agency of the United Nations might be established with three branches:
>
> (a) A legislative branch which would work out by negotiation between the interested parties, experts acting for the

corporations themselves, other experts acting on behalf of the nations permitting the export of capital, and still others representing nations permitting foreign investment within their territories, a comprehensive set of rules. These rules would make conditions uniform and predictable for the transfer of capital and skills across international boundaries, and from one jurisdiction to another.

(b) The judicial branch, expanded from the machinery provided in the 1966 Convention for the Settlement of Investment Disputes, would provide impartial third party judgment to settle disputes and thereby establish precedents for the avoidance of similar disputes in the future

(c) An administrative and audit branch to license the operation of world corporations agreeing to conform in their operations to the rules laid down by the legislative branch, and to submit to the jurisdiction of the panels of experts set up under the judicial branch; to audit and supervise the accounts of the world corporations, to collect taxes to cover the cost of these operations and to provide revenue for the United Nations.

I do not accept this approach in its totality, but I quote the article to support my contention that this issue is one which is engaging the attention of many people in the world and that for us to rush through the kind of inadequate legislation placed before us at this time, without knowledge of the facts which will be brought before the House in the various reports mentioned in my amendment, would be absolute nonsense. While accepting the principle that something needs to be done, we say: Let us wait until we have the facts, and then act. With this as notice for the amendment, I move, seconded by my hon. friend from South Shore (Mr. Crouse):

That all the words after "That" be deleted and the following substituted therefor:

"Bill C-219 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Finance, Trade and Economic Affairs, together with the eighteenth report of that committee in the previous session on the white paper on tax reform and such report, if any, as may be tabled in this session, on the inquiry by the Minister of National Revenue into foreign investment in Canada".

Your Honour will have noted with great interest that the amendment adds somewhat to the traditional form which has been accepted in the past. We wish to make demonstrably plain the precise terms of the material we want the committee to cover. If, however, there should be some doubt in Your Honour's mind as to the acceptability of the amendment in this form, I will be prepared to omit the last words so that there will be no problem at all in connection with the amendment.

Mr. Speaker: The hon. member will appreciate that there are serious procedural difficulties about the form of the proposed amendment. The hon. member admitted he was aware of the difficulties. They relate to the second part of the amendment. He seeks to import into the consideration that would be given by the committee matters such as the eighteenth report of the committee dealing with the white paper on tax reform. This part of the amendment would hardly be acceptable from the point of view of relevancy.

• (9:20 p.m.)

I understood earlier today from remarks made in the course of debate that a reasoned amendment would be introduced. This is, of course, not a reasoned amendment. The hon. member himself indicated that he did not propose to move an amendment which would oppose the principle of the bill, which is the essence of a reasoned amendment. I do not want to belabour the point. The hon. member said that having made the intent of his motion clear, he would be prepared to abide by the traditional form and be satisfied if the amendment were to read as follows, and I will put it formally, subject to the assent of the hon. member:

That all the words after "That" be deleted and the following substituted therefor:

"Bill C-219 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Finance, Trade and Economic Affairs".

The hon. member indicates that he is satisfied with the amendment being put to the House in this form.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in the course of his remarks the hon. member for Peace River (Mr. Baldwin) said that this bill was serving no useful purpose. I think it is serving a useful purpose. As such, it is uniting people in the opposition against the government's bill. It must be an indication of how irrational is the government today when the Conservative and New Democratic parties alike, for their own reasons, can see little good in it.

A reading of the bill makes obvious why this is so. The bill does not make any sense. It does not make any sense in setting up a body to do something that the private sector could do well and in some cases is doing well on its own. Neither does it make sense in terms of setting up an organization that should be within the jurisdiction of the public sector as an instrument of government policy. That is why we have run into this situation. Obviously, the government has found itself in a bind as a result of a promise it made many years ago. It hoped to avoid keeping its promise but found that it could not do so because of public pressure. Therefore it brought in a "nothing" bill, a bill about which no one can be enthusiastic. All that this bill will do is unite public opinion in Canada against it.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I support the amendment moved by the hon. member for Peace River (Mr. Baldwin) because the government wants the bill creating the CDC to be passed for two reasons.

Firstly, they want to help to maintain and develop strong private Canadian companies. Those are not the companies in need of assistance, but those which are on the verge of bankruptcy.

Secondly, through the establishment of the CDC, they would like to multiply the investment prospects in the field of economic development for Canadians.

Mr. Speaker, the return on investments made by the CDC will have to be competitive and proportionate to the risk, since its shares will be sold to the public at large.

The government wants the distribution of shares to be as wide as possible among Canadian citizens. Thus shares

will be sold to Canadian citizens only, and nobody will be allowed to own more than 3 per cent of voting shares.

I should like to analyse this. In the beginning, the outlay of the government of Canada will be $250 million and the capitalization will be $2 billion. It is anticipated that the first sale of equity shares to the public will be at a price of approximately $5 per share. As the government will always be the major shareholder, it will keep at least 10 per cent of the voting shares. The CDC will not be a crown corporation or department, but a company which will operate basically under the Canada Corporations Act. It will be managed by a board of 18 to 21 directors and the government will have a choice between naming not more than four of them or exercizing the voting right of its shares with regard to the complete list of directors.

Speaking of the CDC, the Minister of Finance (Mr. Benson) said in substance:

> No other Canadian corporation has as its objectives national interest and profits.

Such a premise is false and I am going to prove it. He also added the following nauseating statement:

> The national interest and the profit motive are not always compatible.

May I point out to the minister that these two objectives rarely go together. I fully agree that the companies and their control must remain Canadian and I think the government has made another blunder in trying to achieve an impossible balance between the two objectives mentioned by the Minister of Finance, by resorting to a socialization of the Canadian capital.

Mr. Speaker, if the national interest is to be truly advocated, then the best way of solving the problem would be to pass legislation with respect to the monetary system. If, on the contrary, one wishes to make a profit, the private sector is much more competent than the public sector, as evidenced by the failure of Crown corporations managed by the government.

A mixture like that proposed by the minister will not solve any problem, but it will have all the disadvantages of both the public and the private sector. So why should we establish the CDC? They say that the CDC will remain completely outside politics and that the federal government will not interfere with that organization.

The minister maintains that according to Bill C-219 the federal government will have the choice of either appointing a maximum of four administrators or having a voting right corresponding to the number of its shares.

If the number of shares held by the government gives it voting right exceeding 50 per cent of the number of all shares issued, the Deputy Minister of Finance and the Deputy Minister of Industry, Trade and Commerce will be appointed to the board but without a voting right.

Mr. Speaker, these provisions are supposedly intended to establish the necessary degree of additional co-ordination between the Corporation and the government, during the initial phase of its existence. It is added, however, that the Corporation will need some degree of independence so that it may reach efficiently its objectives.

But the government will always want—as is its habit—to hold at least 10 per cent of the voting shares in order to be able to exercice on the global policy of the Corporation the influence corresponding to its shares.

• (9:30 p.m.)

However, the Minister of Finance states that he will not involve himself in politics. The control he exercises, provides him with one more device for selling his tough policy to Canadians.

Since Bill C-219 outlines the Corporation's method of financing, the government will need strong control powers, and that is what the government wants.

Mr. Speaker, it is intended to offer common stock to the public at a price of about $5 per share, in order to encourage wide distribution of shares throughout Canada. That means it is hoped that Canadians who have never invested before will now do so. Those people are not really capitalists, accustomed to risks and therefore to losses, but rather workers, labourers, who will invest not because they hope to be reimbursed by the government, or the Corporation as a financial entity, but because such shares will be guaranteed by the government.

In this way, savings will be tapped, the purchasing power of Canadians will be reduced and, consequently, the gap between the rich and the poor will be widened. For these people, it is not, as it should be, a question of investing in the future development of a great country, but of investing in a company whose shares are guaranteed by the federal government. In acting in this way, Mr. Speaker, the government discourages people, because it is tapping those savings and that capital. It is preventing Canadians from investing personally in this country in which they believe.

It is a new and disguised form of Canada savings bonds. Whatever the Minister of Finance may say, the Canada Development Corporation will always be, judging by its shareholders, similar to a Crown corporation, and the government, politically, will never allow the Canada Development Corporation to sustain a loss in order to protect the national interest. And therein lies the dilemma.

Should such a situation ever come up and it is bound to come owing to the conflict between the national interest and the profit motive, the CDC will have no function to perform. At the present time each investor seeks profits. He does not need any government enterprise to find profitable investments, and companies liable to pay dividends to their shareholders will not need any capital from the CDC.

So in trying to protect the national interest the Canadian Development Corporation will be a failure. The businesses in need of its capital will not get it because they are not profitable at the present time. They will be sold to foreign interests, financed by private capital which can sustain an initial loss in order to make future profits.

As the government will be politically involved in the CDC, it will be unable to sustain a loss at the start in order to make profits later.

Canada Development Corporation

Mr. Speaker, the avowed purpose of the government in setting up the CDC is merely a political one, of course, especially in this period of our economic history when unemployment has reached a peak. The government will have to underwrite the shares and investments of the Corporation shareholders, because if the investors lose confidence in the CDC, they will lose confidence in the government. This is another reason why it will be a political organization.

In addition, Mr. Speaker, all Canadian taxpayers will be shareholders of the Corporation, since the government will hold at least 10 per cent of the CDC shares and will levy the necessary funds from the Canadian taxpayers, so that they will be forcibly involved in a socialist scheme. And this, under the disguised form of the party now in office.

So state socialism is imposed upon us. The government is interfering in another sector of Canadian life in a disguised and dishonest manner because it does not define both sides of the issue as it should. Thus, each decrease in the price of shares will be a loss for the government and, consequently, for each Canadian and it will be put down as a national liability, that is the liability of each Canadian.

From what I have just said, it is easy to see that each consecutive government will have to impose a strict control over the activities of the CDC, a control that will go far beyond its power according to the percentage of shares it holds. It is a matter of political survival and once again we have to conclude that the hon. Minister of Finance, through the CDC, wants to throw dust in the eyes of Canadians to make them forget the fundamental problem of the present economic unbalance.

As I have just said, the Canadian industry and economy are being and will continue to be increasingly controlled by two great powers: the Americans and the central government. The private sector will hang between the two, threatened with extinction, because it will have to compete. I refer to the large and small Canadian investors who will be squeezed between foreign investments and the taxing power of the government which, in its white paper on tax reform, discourages profits and growth in that sector of our economy. Consequently, it is an underhanded but sure way of taking it over and socializing it, as was the case with the Farm Credit Corporation, the Central Housing and Mortgage Corporation and all the programs of the government which tend to "lure each citizen" into repayment plans if he wishes to become an owner.

Mr. Speaker, those control programs were always dealing with the national interest and not with profitability; naturally, this has been realized. If we really wanted to protect the Canadian industry, we would not confine ourselves strictly to that criterium of profit and we would be much more interested in national values. I am surprised to realize upon reading the speech of the Minister of Finance that all along, he thought only about his political future, the future of his party, and that he forgot the future of Canadians.

There is still a way to solve that problem, which the government has not often used. It is a program of allowances or subsidies given directly to the company in order to protect those who do not want to sell their concern but who are compelled to do so because of their financial situation.

But instead of rescuing borderline companies, the government will endeavour to take over the larger companies and let the smaller sink, with the hope that both will disappear for the benefit of foreign interests or of the government. In doing so, companies which are squeezed between these two sectors are placed in the same situation as the individual who has to rely on welfare. Indidentally, an ever increasing number of companies apply for grants to the Department of Regional Economic Expansion just as a citizen will go to the welfare office to pick up his handout.

This is the situation we are in, Mr. Speaker, and not only will the CDC not solve this problem, but it will increase it by depriving these companies of the capital they require.

• (9:40 p.m.)

Mr. Speaker, such a system would be similar to the Department of Regional Economic Expansion's program—and this can be easily demonstrated—except that it would be managed by only one corporation and not necessarily in a specific area. This system could be designed to protect industry instead of letting it be overtaken by foreigners; but there is no government program to assist these industries indeed, they are being left aside while we are dealing with bigger and smaller corporations. The big ones we will own, and the smaller ones will be wiped off.

We could also provide that all newly established corporations should have a given percentage of Canadian ownership; we could also restrict the sale of shares to foreign interests since some foreign capital is always necessary.

In any way, in the light of this brief survey which I honestly attempted to submit, I believe that the CDC will never work out but as an instrument of the federal government's policy and I find this very sad for we are here precisely to give Canadians instruments to help them build their own country.

This legislation will also be a policy instrument serving the federal government because Canada is now more than ever in need of a concrete policy to deal with the program of Canadian control of industry since the main requirement in this field is national interest. In view of these factors, however, this bill merely amounts to a poultice on a wooden leg. After all these surveys, we shall wonder whether, by passing Bill C-219, we shall actually settle the question. If we really want to face reality, we shall realize that we are bogged down in the system, that this is just some dust in the eyes of Canadians and that the problem has not been dealt with properly.

The participation of every Canadian citizen to the economic life of this country is necessary. Each Canadian should be given a chance to really participate, of his own valition, freely and safely to the development and progress of this country or to its building.

Through the passing of bills such as this one, we go after Canadian capital, we undermine the savings of the Canadian people and we make them overlook the real problem. In fact, we merely reduce the purchasing power of the ordinary citizens, workers, laborers, farmers, parents, students, to the benefit of big companies and the government.

Thus the Minister of Finance says at the end of the year: Our budget has increased. Of course! With money coming from the pockets of the Canadian people, it is easy to increase one's pile; but one forgets that it behooves the government to make that money available to the Canadian people. That is one thing. Our taxation system must be reformed, but not by discouraging Canadian enterprise, as the white paper of the Minister of Finance is doing by saying on the one hand that it wants to help the corporations and on the other hand, by discouraging them and bringing about their disappearance.

The second reform—and the most important one—that must be brought about to put order in this country should be a monetary one, so that instead of implementing plans and still more plans and putting poultices on wooden legs, like the CDC, would do, we should give ourselves monetary tools with real effects on Canada's economic life, give each citizen the tool he needs to invest in the Canadian economy.

Let us not ask Canadians to invest in the CDC or somewhere else in Canada if they cannot even provide for themselves. And considering the fact that more than 45 per cent of the Quebec unemployed are less than 25 years old, one can easily understand that they cannot invest in the CDC and that the CDC is unable to cope with their problem. To be honest, one must recognize that more than 35 per cent of the Canadian people live out of public funds, especially federal funds. Those people are excluded from the economic life of this country and do not have a single cent to invest in the CDC or anywhere else. What is being done about those people? They are being forgotten and no bill is passed for them.

We are being presented Bill C-219 to encourage Canadians to invest. But who shall invest in this corporation? Those already well-off and well-to-do. The government will hold 10 per cent of the shares. This means that it will oblige our citizens to invest in this corporation.

Now we ask this question: What will be the profit margin? The profit of the well-to-do will be quite considerable, that of the small shareholders will be minimal.

Mr. Speaker, the taxpayer who can barely pay his taxes and cannot afford to embark freely in this sytem will get zero plus zero which is zero. The well-to-do who will freely choose to invest in this corporation and to buy shares will make a profit once again at the expense of the small savings and of each Canadian. Once more the Canadian government will have cheated Canadians by showing them the fine picture that the CDC is and not telling them that by creating the CDC the low income citizens are swindled out of their money for the benefit of the well-to-do.

The socialists will say: let us take from the big ones and give to the small ones! But in so doing the problem is not solved since our economic system will keep on producing big ones and small ones. And tomorrow morning, the same thing starts over again.

This explains why, today, several socialist countries must return to some sort of co-operation or participation, failing which they discourage freedom, security and initiative in the individual and prevent personal fulfillment.

Mr. Speaker, if the government genuinely serves the Canadian people, if it wishes the development of this country, if it wants all its citizens, young or not so young, to invest in Canada and share in its economic activity, it must give up such poultices and stop throwing dust in people's eyes. Mr. Speaker, it must take more direct, efficient and humane means and give each citizen, especially to the small wage earner, an opportunity to contribute to the economic activity of this country.

This is the heart of the matter, this is where the tragedy occurs. Those who rely for a living on welfare or veterans allowances, or on pensions, those who eke out a living, are directly dependent on society.

Our country is tremendously rich: it is an affluent nation. However, its poor are left to decay in poverty, to keep crawling. The leader of the Ralliement créditiste (Mr. Caouette) says very vividly and truthfully: Hardship exists among plenty. Though paradoxical, the remark is true.

The government, allegedly to help the humble people, the unemployed, the poor and the people on welfare, refuses to listen to their representations. Instead of really trying to solve their problems, by giving them the necessary funds to share in the economic activity of this country and also invest some money, it turns its head away and keeps providing incentives for the better off.

Not so long ago, I read an article which appeared in *Le Devoir* and bore the signature of Mr. Brody, a lecturer at the Industrial Relations Department of the University of Montreal.

This reporter said that an economic policy is mostly a choice between several options.

The successive governments for many years never felt free to introduce such legislation because they were under the control of high finance.

• (9:50 p.m.)

I see that the Minister of Finance is frowning. That is all he can do before high finance, because he dares not speak. Here again is a proof of it: a bill is introduced about the CDC, a corporation at the service of high finance and not of the Canadian people.

Mr. Speaker, governing a country means first, to make a choice, and when you cannot make that choice, then you should pull aside. We are anxious to push these people aside, Mr. Spaker, because they seem unable to make that choice.

We have to choose between taking from the rich and giving a little to the poor or putting the economic system

in the service of all Canadians, whatever their language, their race, their religion, the thickness of their wallets, their goodwill or their good heart. There will come a moment when this choice will have to be made.

There is a third choice: to put everybody on an equal footing and say: Today, we run the steam-roller; we crush all Canadians and have them all fit in the same mold.

Those are the three options.

Encourage the present system, get bogged down even further, change nothing, or else introduce rash reforms through white papers and millions of dollars, without ever attempting the monetary reform. That is the first option, and precisely the one the Minister of Finance opted for.

That is the choice made by the Progressive Conservatives and that is why we say that there is no difference between the two major parties.

There is a second option, that of socializing everyone, and a third, which we support aggressively, that of giving every Canadian, while respecting his freedom and his security, the necessary monetary power, on the basis of our Canadian production, so that he might receive the dividend based on our production.

Indeed, what is the objective of the Minister of Finance? That amounts to giving to a small group of persons, to big finance, the possibility of drawing dividends from the investments of the CDC.

Mr. Speaker, if the Minister of Finance says that it is good, we say that it must be good for all Canadians. If that is good for a small group of persons in Canada, he must organize a similar system, not through the CDC but through the Bank of Canada, in order to give each Canadian enough purchasing power to buy our production and allow him too to get the benefit of his work, of his investment, of Canadian production.

Such is the spirit of Social Credit, Mr. Speaker. It is not a revolutionary spirit, but a spirit of reform aimed at putting money at the disposal of the human being so that the individual will be in a position where he will be able to use the money, not only to his personal advantage but also to that of all Canadians.

Evidently, neither the unemployed, nor the recipients of welfare, nor the physically handicapped are interested. And even if they were, they do not have the means required for participation in the economic life of the country.

If the government truly wants to give those people a chance to be real Canadians, if it has faith in the future of Canada, in Canada's resources, in the human value of the Canadian people, then what is it waiting for to give the Canadian people the monetary means permitting each citizen to receive his share in Canadian investments and Canadian production?

In short, Mr. Speaker, I am strongly against the bill because it will not solve the problem, because it diverts our attention from the real issue. Besides not being real solution—and this is worse—it moves us away from the answer because it continues to patronize the financiers who already exploit Canadians.

Mr. Speaker, this bill not only does not solve anything, but it will further discourage Canadians from participating in economic activities. The gap between rich and poor will widen.

Mr. Speaker, this is a basic question. We in Canada are living in a climate of crisis and tension. Each Canadian is searching for his identity, whatever his language, his religion and his birth place. Everyone would like to do something for his country, because everyone from coast to coast has a feeling that there is something the matter.

Mr. Speaker, now is the time to bring in the only reform that this government, like those which preceded it, never dared introduce, namely a monetary reform whereby the Bank of Canada would be put at the service of the people of Canada. This would make it possible to distribute the difference between Canadian production and consumption as dividends so that every Canadian would receive his share of profit and production.

Mr. Speaker, those were the remarks I wanted to make. I hope the government will consider this proposal seriously and will agree to respect Parliament by listening to whatever the members of the opposition have to say. We are not here as members of the opposition wereby to object to legislation but mainly to submit proposals and express useful criticism. This is why I say that this bill not only will not solve the problem but that it will draw us further away from any true solution which would consist in putting money at the disposal of each and every Canadian through the Bank of Canada.

[*English*]

Mr. Ian Watson (Laprairie): I should like to participate briefly in this debate, Mr. Speaker. I understand that there is a member on the other side of the House who also wishes to speak tonight. I wonder if there is disposition by the House to agree to sit past ten o'clock so that I would not have to rush through my speech.

Some hon. Members: Agreed.

Mr. Horner: No.

Mr. Watson: I am one member of this House who has for a number of years impatiently awaited the creation of the Canada Development Corporation.

Mr. Saltsman: Ten o'clock.

Mr. Watson: We have talked about the CDC inside and outside the House since 1963. Initial public reaction, primarily business reaction, to the CDC proposal of several years ago was not favourable and this adverse initial reaction has undoubtedly influenced the present Bill C-219. Reassurance for the initial detractors of the concept of the bill is nowhere more clearly spelled out than in the last three lines of clause 6, the objects clause, which provide that the objects of the CDC "shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole."

I approve the major objectives set out for the CDC, which are to develop strong Canadian control and manage corporations in the private sector of the economy and to provide broader opportunities for Canadians to invest and participate in the economic development of Canada. I am confident that the CDC will play a major role in future Canadian development and that it can contribute to improving Canadian competitiveness in world markets in the corporate rationalizations, amalgamations and arrangements which we expect the CDC to take.

The CDC, by stimulating and encouraging such changes in Canadian industry, will strengthen our industrial structure and consequently render this structure less vulnerable to foreign takeovers.

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

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—DOCKYARD EMPLOYEES WAGE DISPUTE—INTERVENTION OF INDUSTRY SPECIALIST—AMENDMENT OF OFFER TO REMOVE DISPARITY

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, what brings me here this evening is the negotiation that is currently going on between Treasury Board and 1,750 east coast ship repair workers at the Halifax dockyard and about 1,200 west coast ship repair workers at the Esquimalt dockyard. As anybody who was in the House earlier today is well aware, the groups on both coasts have taken strike votes after turning down a conciliation offer, or the latest offer from the employer, the government of Canada. In both cases the vote is in favour of a strike, so that very large ramifications arise from the fact that the government is not able to make peace with its dockyard employees.

• (10:00 p.m.)

I shall not deal with the whole of this problem, Mr. Speaker, because I am rather close to the scene in the Halifax area and since 1957 I have been working on the side of the east coast employees and trying to better their lot. I am rather hesitant, as well, because as a Maritimer and the member for Halifax-East Hants I have been annoyed at the discrepancy in the salaries for essentially the same type of work on the east and west coasts. There are other things that annoy me. One is that the bargaining group for these craftsmen was certified on January 11, 1968, and—believe it or not—it is now working on the agreement to be effective from October 1, 1968, to September 30, 1970. This makes the subject under discussion rather historical. However, the men involved have not been paid a proper wage for that period of time and now we have to start with the period since September 30, 1970, and bring their wages up to date. Some hon. members may recall the remarks of my colleague from Dartmouth-Halifax East (Mr. Forrestall) who mentioned another group not involved in this dispute, unless the situation should change with the setting up of picket lines. I refer to the general workers in the dockyard, who also will be looking for an increase in salary.

Mr. Speaker, I think the shame of the matter is that when we set up bargaining legislation a couple of years ago we thought that steps would be taken to come to grips with bargaining positions and collective agreements within the public service of Canada. That has not been the case, despite the assurances given in committee. I was a member of that committee and believed those assurances. The fact is, however, that government bargaining with employees in those categories is hopelessly out of date.

What are we faced with now? A conciliation report was issued by Mr. R. Gallagher, chairman, Mr. Peter Sadlier-Brown, the union nominee, and Mr. James P. Nichol, the government nominee. Mr. Gallagher and Mr. Sadlier-Brown recommended, for the east coast, 37 cents more an hour this time around and 37 cents more an hour next time around, for a total increase of 74 cents. For the west coast they recommended 42 cents and 42 cents. This would have brought the east coast rate from $3.31 to $4.05 an hour and the west coast rate from $4.16 to $5. Mr. Nichol, the government nominee, proposed 27 cents and 29 cents for the east coast and 34 cents and 36 cents for the west coast. In its offer to the employees the government proposed a 42 and 42 cents formula for the west coast and a 28 and 28 cents formula for the east coast. In effect, this was taking the majority figure in the conciliation report for the west coast employees and the minority figure for the east coast employees.

This was so incredible that I immediately asked for leave under Standing Order 43 to have the matter debated in this House, but I was denied that opportunity. I suppose the enormity of the crime had not sunk in with hon. members because I asked for leave before anybody had learned what was going on. On subsequent days I asked questions. The Leader of the Opposition (Mr. Stanfield) has also asked questions as have my colleagues from Dartmouth-Halifax East and Moose Jaw.

I say that this is an outrage and everyone ought to ask questions about the government's approach in dealing with these employees. The odd thing is that under the new collective bargaining agreement many side issues were resolved very nicely. When the whole business is done with and this matter is part of the collective bargaining agreement, some of the long outstanding grievances will have been cleared up. Unfortunately, however, when you get down to the bread and butter issues you get down to wages.

Mr. Deputy Speaker: Order, please.

Mr. McCleave: Mr. Speaker, may I conclude with one sentence?

Mr. Deputy Speaker: Order, please. The hon. member's time has expired.

Proceedings on Adjournment Motion

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I welcome the opportunity to reply on this occasion to the question raised by the hon. member opposite. By way of introduction I might point out, as I think he already knows but as other hon. members of the House may not, that negotiations with the ship repair bargaining agent, Federal Government Dockyards Trades and Labour Council, commenced on August 19, 1970. After 13 meetings which occurred between that date and the middle of October, they broke down. On that occasion the council applied for conciliation and the conciliation board met in January of this year. Pay was the only real issue throughout the negotiations.

Mr. Forrestall: Then why was money never mentioned?

Mr. Gillespie: The hon. member has commented on the recommendations of the majority report and of the minority report.

Mr. Forrestall: Why was money never mentioned?

Mr. Gillespie: It seems to me that in his remarks he overlooked one of the key questions with which the government in dealing with employees must concern itself. It must concern itself with two questions. First, it must consider the fair treatment of the employee, as the hon. member emphasized in his remarks, and it must concern itself, in these approaches, with the fair treatment of the taxpayer. After all, in a situation of this kind the government, as a negotiator, represents the public purse.

The hon. member used the phrase "the proper wage". I think he will agree with me that in the process of negotiations many factors are considered, not the least of which, and perhaps the most important, is the going wage rate in the area. I am sure that he knows these figures. It might be helpful to the House if they were placed on record. When we compare the so-called disparity between east coast and west coast rates as represented by this contract, we must also bear in mind that there is a significant disparity between the east coast rates proposed by the employer in the contract and rates paid in the Halifax area by employers who are competitors of the federal government.

I am informed that in May of last year the basic rate in the Halifax shipyards was about $3.30 an hour. In May of 1971, the rate would have been $3.50, which would compare with—

Mr. Deputy Speaker: Order, please. The parliamentary secretary's time has expired.

REGIONAL ECONOMIC EXPANSION—INCENTIVE GRANT TO MICRO-MAX PRODUCTS TO ESTABLISH PLANT IN MAGOG, QUEBEC—ASSISTANCE TO CANADIAN DRUG INDUSTRY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, a few days ago I asked a question of the Minister of Regional Economic Expansion (Mr. Marchand) with respect to the $3.8 million incentive grant that had been made to Micro-Max Products Limited of Kalamazoo, Michigan, to assist in establishing a drug plant in Magog, Quebec. The minister replied that the grant had been made according to the regulations of his department. When I attempted to follow up the question and inquire if grants had been made to hard pressed individual Canadian pharmaceutical manufacturers, no reply was forthcoming.

I have raised this question in the adjournment debate because there seems to be a fundamental conflict in the government's attempts to assist in the development of truly Canadian industry. I would like to know from tonight's spokesman for the government why it is blowing hot and cold on this issue, in one instance saying we must support our native industry and on the other hand providing large incentive grants to companies which are obviously foreign-owned.

• (10:10 p.m.)

The independent Canadian pharmaceutical industry is relatively small. However, it has been playing a significant role in the continuing campaign to bring down the high cost of drugs in Canada. More recently, the independent segment has been hard pressed, largely because of the passing of Bill C-102 two years ago. That bill was piloted by the Minister of Consumer and Corporate Affairs (Mr. Basford). Instead of bringing down the high cost of drugs, even with the 12 per cent relief from federal sales tax, it has tended to threaten the one segment of the industry that had been making a substantial contribution in the war against pollution.

I do not have time to go into the subject in detail but there is an excellent article in the February issue of *Executive* magazine headed, "High-priced drugs are still, well, high-priced". The subheading reads, "And who really expected anything different?" Before the government moved to make compulsory licences mandatory on request, these small independents were carrying out the same kind of operation. Since Bill C-102 passed in 1969, 60 compulsory licences have been granted. All of these have been for importation, none for manufacturing. This has caused several unfortunate side effects with respect to the Canadian industry. It is downgrading the research activities of the larger companies. For example, Ayerst moved their research activity across the border into New York state because of the bill.

I would like to receive answers to the following specific questions. What steps have been taken by the government to financially strengthen the independent Canadian segment of the pharmaceutical industry as promised at the time Bill C-102 was passed? If possible, I would like the reply to be in terms of a figure for the grants that have been made to companies like Micro Chemicals, Empire Laboratories and Delmar Chemicals. If it is not possible to provide the information during the course of this discussion, perhaps it could be supplied in the form of a statement on motions or in a letter to myself.

We are all concerned about the continuing high cost of drugs in Canada. The Ontario government, through its Parcost program—that is, prescriptions at reasonable cost—has made the first real break in bringing down the

high cost of drugs. Another device talked about at the moment is bulk buying for hospitals, which would perhaps provide cheaper drugs through this particular outlet. I think it is quite unfair to penalize the small segment of the independent Canadian pharmaceutical industry, which pioneered in this field, by providing incentives assistance to American-based companies and on the other hand allowing existing Canadian independents to be absorbed by the larger American companies which are continually knocking at their door. I trust the government will take action to remove this anomaly.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, one of the principal purposes of Bill C-102, which involved changes in the Patent Act, was to increase competition in the Canadian pharmaceutical industry with a view to supporting the legitimate Canadian interest in keeping down drug prices. This objective may well serve to strengthen the Canadian pharmaceutical industry. Moreover, the grant offered by the Department of Regional Economic Expansion may also serve to strengthen the Canadian pharmaceutical industry although grants are offered in this case, as in others, to create new jobs in designated slow-growth regions where they are badly needed.

Mr. Dinsdale: And phase out old jobs.

Mr. O'Connell: The hon. member is laughing.

Mr. Dinsdale: I said "And phase out old jobs".

Mr. O'Connell: There are some 375 jobs connected with this grant. The products which Micro-Max Products Limited will be manufacturing are basically new to Canada. They will not duplicate what is being done by existing Canadian companies. This project in Magog, therefore, represents an expansion of the total industry rather than a new competitive factor within it. Indeed, most of its products are intended for the export market, implying a total expansion of the industry in Canada. The company will also be bringing new technology and research capacity into Canada and this, too, should help broaden the base of the industry as a whole.

The hon. member asked how the grant which has been offered compares with assistance given to the independent Canadian drug industry. I am informed that no other pharmaceutical company has applied to the department for financial assistance in locating or expanding in one of the designated regions. If such an application is received, it will certainly be considered in the same way as this one was considered.

In summary, the offered grant of $3.8 million relates to a total investment by the company of some $17.8 million. It will help to create an estimated 375 new jobs directly and it may well broaden and strengthen the total Canadian industry while serving national export goals as well.

Mr. Dinsdale: A bird in the hand is worth two in the bush.

Proceedings on Adjournment Motion

ADMINISTRATION OF JUSTICE—FEDERAL INTERVENTION IN ACTION BROUGHT BY TEACHERS RESPECTING BRITISH COLUMBIA ORDER IN COUNCIL

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on February 11 I questioned the Minister of Justice (Mr. Turner) in regard to consequences arising out of an order in council issued by the government of British Columbia on October 22, 1970. This order in council declared it as public policy that no person teaching or instructing the youth of British Columbia in educational institutions receiving government support shall continue in the employment of the institution if they advocate the policies of the Front de Liberation du Quebec or the overthrow of democratically-elected government by violent means.

Five teachers from such institutions promptly challenged the authority of the British Columbia government to issue such an order in council. In the first place, they declared there is no law passed by the legislative assembly of British Columbia delegating to the executive council or the Lieutenant-Governor in Council the power to pass such an order in council. Secondly, they declared that such an order in council is ultra vires the powers of the province, falling within the exclusive jurisdiction of the Parliament of Canada under the British North America Act. The case was slated to come up for trial before the Supreme Court of British Columbia on February 25.

Because of the fundamental issues involved, I asked the Minister of Justice two questions. First, does the federal government plan to intervene in support of the action brought by the five teachers against the government of British Columbia? Second, will the federal government challenge the constitutionality of the order in council? To the first question the minister's answer was in substance no. To the second his answer was silence. Neither answer indicated that he is prepared, as Minister of Justice to uphold the law of this country and the civil rights of the citizen which are endangered when it is flouted.

• (10:20 p.m.)

In defence of his government's action, the Attorney General of British Columbia declared that if the said order in council were passed without legislative authority—which he specifically denies—then it is merely a declaration of government policy, without binding effect, and that therefore the teachers have no reason for their action. Further, the Attorney General disputes the right of the plaintiffs to bring his action in the courts, alleging that none of them has a legal interest which allows the bringing of the suit. But there are features about this order in council which constitute an extremely dangerous threat to the civil liberties of teachers in British Columbia and which should call forth the active interest and involvement of the Minister of Justice, who is charged with protecting the fundamental rights of Canadian citizenship, including freedom of speech and expression.

The British Columbia order in council requires the dismissal of teachers in certain circumstances, but pro-

vides no guarantee that those accused and dismissed will be dealt with in accordance with what is usually called due process. There is no mention of who is to judge whether persons accused are in fact guilty, whether they will have the right to know and face their accusers, the right to legal counsel, the right to cross-examine witnesses, the right to the other various safeguards which are essential. Apart from this backdoor attack on civil liberties, it should surely be the concern of the Minister of Justice to protect the federal jurisdiction. When a provincial government attempts to usurp powers which rightly belong to the federal government, it is extremely important that the federal Minister of Justice join in laying before the courts the reasons for striking down such attacks on federal powers.

History teaches that where civil liberties have been destroyed such destruction rarely, if ever, took place overnight; rather, there was an insidious, creeping erosion of the rights of the citizens to which those in authority turned the deaf ear and the blind eye. I appeal to the Minister of Justice to exercise his rightful authority in this case and to show the people of Canada that he is prepared to accept his full responsibility for protecting federal law and federal jurisdiction.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, it is always a pleasure for me to act as spokesman for the Minister of Justice (Mr. Turner) with such a gracious interlocutress. Unfortunately, I am once again unable to accede to the wishes of the charming representative from Vancouver-Kingsway (Mrs. MacInnis).

Whatever the hon. member for Vancouver-Kingsway may think, the Minister of Justice has given a very clear answer to the question that she asked him on February 11, 1971 when he said, and I quote in the language of Shakespeare:

[*English*]

Mr. Speaker, the matter that is before the court is a provincial order in council. The hon. lady says that the minister did not reply to the second question, but I would point out that he replied that we did not plan to intervene.

[*Translation*]

Mr. Speaker, this is a matter of administration of justice which, as far as I know, falls under provincial jurisdiction. I believe this was repeated time and again during the October crisis. It is therefore a sub judice question at the present time owing to an order in council passed by the government of British Columbia.

Consequently, as the Minister of Justice so aptly said in reply to a question by the hon. member for Vancouver-Kingsway, the federal government and Department of Justice do not intend to intervene, and they never do, in an area of provincial jurisdiction.

[*English*]

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, March 3, 1971

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

FINANCE, TRADE AND ECONOMIC AFFAIRS

Ninth report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages—Mr. Clermont.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

OIL

POSSIBLE MACKENZIE VALLEY PIPELINE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, pursuant to Standing Order 43, I wish to move a motion of urgent and pressing necessity. In the light of the public debate now taking place in Canada and in the United States concerning the proposal to construct an oil supply line via pipeline in Alaska and by ocean tanker to United States west coast markets, and arising out of the statement in Washington yesterday attributed to the Minister of Energy, Mines and Resources offering the Mackenzie Valley route as a possible alternative to the Alaska TAPS pipeline route, such statement implying the feasibility of the Mackenzie Valley route and the offer as expressing government policy without public examination of the consequences and ramifications of such a plan, I move, seconded by the hon. member for South Western Nova (Mr. Comeau):

That this House is of the opinion that the government should make the necessary arrangements for a full debate in government time to discuss the whole question of the desirability of constructing oil and/or gas pipelines along the Mackenzie River valley from the Arctic coast to southern Canada and the effect of such an undertaking on, among other things, the ecology of the region, the rights of native peoples, the Canadian economy, the type of ownership thereof and by whom, international trade and Canada's foreign relations.

• (2:10 p.m.)

Mr. Speaker: The House has heard the motion proposed by the hon. member for Edmonton West for consideration by the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member does not have the unanimous consent of the House therefore the motion cannot be put at this time.

* * *

CANADA LABOUR (STANDARDS) CODE

PROVISION OF EMPLOYEE PENSIONS AT AGE 55 WHEN UNDERTAKINGS CLOSED

Mr. Rod Thomson (Battleford-Kindersley) moved for leave to introduce Bill C-227, to amend the Canada Labour (Standards) Code (pension on permanent closing).

Some hon. Members: Explain.

Mr. Thomson: Mr. Speaker, at the present time employees with many years of service are subject to losing their pension rights when an undertaking permanently closes. The purpose of this bill is to require the employer of such an undertaking, when it is permanently closed, to provide for the employee at age 55 a pension commensurate with the number of years he was in its employ.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

WAR MEASURES ACT—ARREST OF CBC PERSONNEL

Question No. 370—**Mr. Coates:**

Have any members of the Canadian Broadcasting Corporation been arrested under the War Measures Act since October 16, 1970 and, if so (a) what are the names of these individuals (b) what positions did they hold with CBC (c) what was their salary in each instance (d) have charges been laid against them or have they since been released (e) in each instance, are they still employees of CBC?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of the Solicitor General and the Canadian

Broadcasting Corporation as follows: Yes, two as of November 5, 1970. (a) It is not in the public interest to release the names of those persons arrested and released without being charged under the War Measures Act. (b) One employed in the programming department. One employed as a TV producer. (c) It has not been customary for the CBC to disclose such details of internal management and administration. (d) No charges were laid against either person and both have been released. (e) Yes; on their release the two people returned to their employment with the Corporation.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—CHANGES IN PERSONNEL AS A RESULT OF USE OF COMPUTERS

Question No. 515—**Mr. Robinson:**

As a result of the use of computers by the Department of National Health and Welfare how many employees have been (a) laid off (b) hired?

Hon. John C. Munro (Minister of National Health and Welfare): Departmental records are not maintained in a manner to reply to this question. A complete reply to this question would be too costly and the Department of National Health and Welfare does not have the staff nor the funds to undertake such a project.

BROADCASTING—RESULTS OF EFFORTS TO PROVIDE MORE POSSIBILITIES OF COLLABORATION AND EXCHANGE

Question No. 605—**Mr. Nowlan:**

What are the concrete results, to date, of the intensified efforts to provide more possibilities of joint collaboration and exchange, either on a dubbing basis or on a joint production basis with separate sound tracks referred to by Dr. Davidson on June 4, 1970 before the Standing Committee on Broadcasting, Films and Assistance to the Arts?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

The CBC's Program Council, under the chairmanship of the Vice-President, Programming, has the responsibility of promoting the exchange of program material and joint collaboration in production of programs and coverage of events wherever and whenever this is considered desirable. The Program Council includes among its members the Vice-Presidents and General Managers of the French and English language divisions.

A joint program planning group, consisting of senior officers from both French and English services and working under the aegis of the Program Council meets regularly to further inter-service collaboration and to examine specific program ideas and projects which lend themselves to joint production arrangements. Film properties are reviewed with a view to the possibility of use by both language services (including the requirement of dubbing). News, sports, music, special events and documentary programs generally afford the best opportunities for effective use of the same CBC program material by the two language services.

Examples of collaboration between the two language services in the coverage of events include Expo 67 (Montreal): Canada Games (Halifax) 1969; Commonwealth Games (Edinburgh) 1970; Expo 70 (Tokyo); Saskatoon Winter Games (1971); and many others. Joint productions, or dual use by the two networks of the same program material (with adaptations) include the d'Iberville series and the ballet Carmina Burana. Imported programs such as "The Undersea World of Jacques Cousteau" and "The Forsyte Saga" have been scheduled on both CBC English and French TV networks.

Material used on the French network public affairs program "Format 60" has also been used on the English network's "Weekend". The well-known French network commentator Pierre Nadeau has been engaged to do special reporting for "Weekend". The current Canadian TV serial, "Adventures in Rainbow Country" has been converted for broadcast on the French network under the title "Au pays de l'arc-en-ciel".

Programs in the music field include a concert devoted to the music of Manuel de Falla; a concert of Canadian music; the opera "Hansel and Gretel"; a Glenn Gould program; the Canada Day program broadcast from the National Arts Centre July 1st; between 40 and 50 programs included under the series title "Son et Images" in French and "Music to See" in English.

Consideration is currently being given to the conversion of the twice repeated English play "Charbonneau and the Chef" for use on the French radio network, and plans are also being developed for future public affairs series to be scheduled by both French and English services, covering such subjects as pollution, the Arctic, science and technology. Looking further ahead plans are being developed jointly by the two networks for joint coverage of such future events as the Summer Olympics (Munich) 1972: the Winter Olympics (Sapporo, Japan) 1972 and the 1976 Summer Olympics (Montreal).

[*English*]

CANADA ASSISTANCE ACT—PAYMENTS TO BRITISH COLUMBIA

Question No. 668—**Mrs. MacInnis:**

1. With reference to claims made by British Columbia under the Canada Assistance Act for the fiscal year 1970/71, how many persons were claimed as being in receipt of social allowance, excluding supplementary allowance and child welfare allowance, in each month to date and how much was paid to British Columbia as the federal government's share of such assistance?

2. What was the total amount paid to British Columbia under the Canada Assistance Act in (a) 1969/70 (b) 1970/71?

Hon. John C. Munro (Minister of National Health and Welfare): 1. See following schedule for latest available data.

2. Total Federal Payments to British Columbia under the Canada Assistance Plan,

Fiscal Year	Federal Payments
1969-70 (12 months)	$43,086,262
1970-71 (9 months)	$44,631,282

Social Allowance Recipients and Federal Contributions 1970-1971

Month	Number of Recipients	Federal Share for Costs of Basic Assistance
April, 1970	109,963	$3,076,667
May, 1970	117,985	3,017,945
June, 1970	126,026	3,458,541
July, 1970	129,597	3,591,632
August, 1970	135,858	3,844,329
September, 1970	136,537	3,969,641

FISHERIES ACT REGULATIONS

Question No. 683—**Mr. Barnett:**

1. On what date will draft regulations with respect to the disposal of tailings from mining operations be completed?

2. Is it expected that Sections 33, 33A, 33B, 33C and 33D of the Fisheries Act will become operative in respect to such operations?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): 1. Not known.

2. Yes.

RESEARCH INTO HARMFUL EFFECTS OF ALCOHOL

Question No. 715—**Mr. Robinson:**

Will the government consider the advisability of requiring the producers of alcoholic beverages to pay 1 per cent of gross earnings into research of the harmful effects of alcohol?

Hon. John C. Munro (Minister of National Health and Welfare): The government does not propose to introduce, at the present time, legislation to this effect.

RESEARCH INTO HARMFUL EFFECTS OF DRUGS

Question No. 727—**Mr. Robinson:**

Will the government consider the advisability of requiring the producers of drugs to pay 1 per cent of gross earnings into research of the harmful effects of drugs and drug abuse?

Hon. John C. Munro (Minister of National Health and Welfare): The government does not propose to introduce, at the present time, legislation to this effect.

CBC—SHOWING OF "SESAME STREET"

Question No. 755—**Mr. Fairweather:**

1. Will CBC carry Sesame Street in the 1971-72 television season?

Questions

2. Has the current series of Sesame Street been given special status as non-import content by the CRTC?

3. What consideration has the Canadian Radio Television Commission given to extending the non-import status of Sesame Street?

4. Is consideration being given to a formula which would permit the networks to show programs of international renown without being subject to the Canadian content rule?

5. By what measure can a feature such as "Civilization" be considered as offending the principles inherent in the Canadian content regulations of the CRTC?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. I am informed by the Canadian Broadcasting Corporation that the final decision has not been taken but the Corporation certainly hopes it will be possible.

I am informed by the Canadian Radio-Television Commission as follows:

2. No. None the less, the CRTC has authorized the CBC to exceed the 30 per cent limit on U.S. programmes for the 1970-71 broadcast season providing that the excess is entirely due to Sesame Street. This authorization was given in consideration of the fact that the CBC was required by the recently revised TV Regulations to comply with increased levels of Canadian programmes two years earlier than privately-owned stations and networks.

3. The CBC has not requested the Canadian Radio-Television Commission to extend the present arrangement.

4. No. The Commission is of the opinion that networks, particularly the CBC, should endeavour to import the best foreign programs available without reducing the opportunity for Canadian programs to be shown.

5. Programmes like "Civilization" do not offend any principles of the CRTC Regulations. Provision is made under the new regulations for up to 10 per cent of television schedules to be from sources such as the BBC, which produced "Civilization". The Commission naturally recognizes the high quality of the programme "Civilization" as did the CBC in arranging to broadcast the series.

[*English*]

CBC—ABORTION SHOW, NOVEMBER 22, 1970

Question No. 859—**Mr. Robinson:**

1. How many complaints were received by CBC as a result of the abortion show on CBC Weekend, November 22, 1970?

2. Is it the intention of CBC to continue to show such abortion spectacles in the future?

3. How many requests have CBC received for a re-run of the abortion show?

4. How many letters of congratulations were received by CBC as a result of showing the abortion and from whom were they received?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Audience reaction in terms of letters and telephone calls unfavourable to the item amounted to about 260 letters and 180 calls.

2. The program in question represented one of a series of items dealing with different aspects of this subject. At present there are no definite plans for a similar program.

3. One request for a repeat of the program was noted.

4. Information obtained through the weekly CBC TV network audience panel of about 2,000 respondents revealed that the abortion item was considered "very interesting" by close to two-thirds of those who watched it. The estimated total audience was 1,400,000. Audience reaction in terms of letters and telephone calls approving the film amounted to about 45 letters and 55 calls. They came from individual viewers, including parents, young people, physicians, clergymen and teachers.

[*English*]

CBC—PROGRAM CHANGES BECAUSE OF QUEBEC CRISIS

Question No. 879—**Mr. Broadbent:**

1. With reference to the reply to Question Number 549 at page 2264 of *Hansard*, January 11, 1971, what films were "judged inappropriate for this period and were cancelled"?

2. What material was originally scheduled for "Something Else" and "Encounter" on October 15, 1970?

3. What material was originally scheduled for "Cent mille chansons" on October 28, 1970?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The reference was to films postponed. These were "Huit heures de sursis" (October 11) and "Le rayon infernal" (October 15), both about kidnapping, and "Pas de panique" (October 17) the title of which was considered in poor taste at that particular time.

2. The program originally planned for "Something Else" cancelled on October 15, was a panel discussion on press coverage of the Quebec crisis. "Encounter" on that date was to have been a discussion of the Quebec crisis with Eldon Woolliams M.P., former RCMP Superintendant William Kelly and journalist John Gray.

3. The program originally planned for "cent mille chansons" on October 28 was a repeat of a September 23 program featuring singer Pauline Julien and pianists Gaston Brisson, Gérard Hébert and Gilles Breton. In mid-October when confirmation of the scheduling and advance publicity and promotion was required, Miss Julien was among those arrested and her case was pending a hearing. Under the circumstances at that time the CBC felt it appropriate to defer the re-scheduling. Miss Julien was later released without charges being laid. While no date has been set for a repeat of the "Cent mille chansons" performance Miss Julien has since appeared on the CBC French network television program "Zoom", on February 7.

[*English*]

LANGUAGE TRAINING PROGRAM

Question No. 932—**Mr. McCleave:**

1. In the government language training program, are students receiving cassette tape recorders as training aids and, if so, are these on loan or are they given outright?

[Mr. Pelletier.]

2. How many recorders have been purchased for this program (a) what is their total cost (b) who supplies them?

3. If such recorders are returnable, what is the approximate percentage of such return and what steps are being taken against delinquent holders?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. Yes. Students are loaned cassette tape recorders, under a programmed instruction course.

2. 435. (*a*) $40,090. (*b*) The Language Bureau, Public Service Commission.

3. The initial distribution will not be returned until June 1971. A formal loan agreement is signed by each student for each machine, with serial numbers recorded.

[*English*]

FALLOUT SHELTERS

Question No. 937—**Mr. Laprise:**

1. Since 1960, how many fallout shelters were built (a) in Canada (b) in the Province of Quebec (c) in the constituency of Abitibi?

2. How many shelters may still be used and what is their use?

3. Since these shelters were built, what were the maintenance costs?

[*Translation*]

Hon. Donald S. Macdonald (Minister of National Defence): 1. Based on a 1962 survey to determine the number of fallout shelters constructed in Canada, there were about 2,000 private shelters at that time, both family and group types. It is not known how many of these were constructed since 1960, and no statistics were received from the province of Quebec. 2&3. Construction of private shelters is the responsibility of property owners and because of this no records exist as to the current usability of such shelters or their maintenance costs.

[*English*]

NATIONAL ARTS CENTRE—SALE OF TICKETS

Question No. 939—**Mr. Coates:**

Have complaints been received by the National Arts Centre regarding the present method of the sale of tickets and, if so, are arrangements under consideration that will allow a person to call in and secure seats with a definite time limit being placed on the purchaser as to when such tickets must be picked up?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Arts Centre as follows: Very few complaints have been received by the National Arts Centre regarding its method of sales of tickets. A telephone ticket reservation system is already in operation but is restricted to the 15,661 subscribers to the various National Arts Centre Subscription Series. It is hoped that the system will be extended in the future but it can only be acheved at a further cost of some $25,000 a year since such systems require a much higher staff level than do usual sales methods.

[*English*]

DEPARTMENT OF NATIONAL DEFENCE—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 969—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of National Defence is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Hon. Donald S. Macdonald (Minister of National Defence): (a), (c), (d), (e): Nil; (b) 100 per cent; (f) It is estimated that 336 man months of employment will be provided.

DEPARTMENT OF NATIONAL DEFENCE—COMPUTER SERVICES

Question No. 986—**Mr. Robinson:**

What income, if any, is derived from the computer services provided by the Department of National Defence (a) from other departments (b) from sale or services to industry (c) to provincial government departments (d) to municipalities?

Hon. Donald S. Macdonald (Minister of National Defence): None.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

NUMBER OF PERSONS IN GOVERNMENT AGENCIES EARNING IN EXCESS OF $25,000 ANNUALLY

Question No. 246—**Mr. Fortin:**

1. How many persons earn more than $25,000 in each of the following government agencies (a) CNR (b) Air-Canada (c) CBC (d) Polymer (e) Eldorado (f) CMHC (g) Industrial Development Bank (h) Farm Credit Corporation?

2. Of these persons, how many (a) speak French only (b) English (c) are bilingual?

Return tabled.

HEALTH AND WELFARE—ATHLETIC GRANTS

Question No. 758—**Mr. Robinson:**

1. How many athletic grants have been awarded by the Department of National Health and Welfare to students in each year 1960 to 1970 inclusive, and who were the recipients of each grant?

2. Have students received more than one grant and, if so (a) how many (b) what amounts?

3. (a) What sports are represented by the grants (b) what sport activity or athletic prowess warrants a grant (c) what other considerations for making the grant are relevant?

Return tabled.

PROJECTS SPONSORED BY CYC

Question No. 884—**Mr. Caouette:**

What are the names, locations and number of projects financed and sponsored by the Company of Young Canadians?

Return tabled.

Student Employment

MOTION TO ADJOURN UNDER S.O. 26

MANPOWER

PROVISION OF EMPLOYMENT FOR STUDENTS

Mr. W. B. Nesbitt (Oxford): Subject to your decision, Mr. Speaker, I propose to ask leave to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, that during the latter part of this month and during the months of April, May and June at least 1,300,000 students will leave their high schools and colleges and will be seeking either temporary or permanent employment. This massive influx on the labour market will greatly aggravate the existing problem of unemployment in the immediate future.

It is for this reason that an immediate discussion of this matter is urgently required in order to assist the government in providing appropriate plans at the earliest possible moment to meet this emergency. If you agree that this matter is proper to be discussed, Mr. Speaker, I shall ask leave of the House to move that this House adjourn.

Mr. Speaker: The hon. member for Oxford has filed the notice required under Standing Order 26. His statement proposes a debate on the subject of unemployment, with particular reference to the fact that a considerable number of students and young people will be leaving schools or universities in the months of April, May and June of this year. While the matter is one of concern to the House and of national interest, and while the situation is urgent, I would hesitate very much before suggesting an emergency debate under Standing Order 26.

Hon. members are aware that during the past few weeks we have had a number of debates on the general subject of unemployment. There were two days of budget debate on February 10 and 11. Still more recently, on February 25 the House considered a supply motion and the debate which ensued on that motion was related primarily to the problem of unemployment.

I think it is relevant also to the decision which must be made by the Chair that the House on December 15 last considered a motion proposed by the hon. member for Lotbinière. That motion, as well as an amendment moved by the hon. member for Vegreville dealt precisely with the problem raised in the motion which would be proposed by the hon. member for Oxford. I might indicate to hon. members that the situation might be different if the motion dealt more precisely with the situation to be faced by students who are looking for summer employment. It may well be that a time will arrive when such a debate should take place within the terms of a supply motion, in connection with a statement on motions, or by way of an emergency debate.

After considering the matter very seriously and with every sympathy possible, it seems to me that the terms of the statement put forward by the hon. member are per-

haps a bit too wide, and that the debate which would result under the terms of the motion as presented to the House would be very much the same as the debates we have had during the past few weeks. Although I have given the matter serious thought and have considered it with every possible sympathy, for these reasons I do not think that at this time at least, there should be a debate on the motion in the terms proposed by the hon. member for Oxford under Standing Order 26.

Mr. Nesbitt: Mr. Speaker, I rise on a point of order. The Prime Minister in reply to a number of questions I have asked in the last two weeks has indicated that the government is presently considering plans to deal with this matter. The fact that these plans have not been forthcoming and that time is running very short may perhaps distinguish my request for a special debate from the other debates which have taken place in respect of student unemployment.

Mr. Speaker: Of course the hon. member is not raising a point of order but rather he is debating the decision of the Chair. The Standing Order says precisely that there should not be a debate on the decision of the Chair. I can assure the hon. member that I have taken that point under serious consideration. I have suggested to him that had the motion dealt precisely with the question of summer employment for students, rather than the fact that 1,300,000 young people will come onto the labour market in a month or so, there might have been more justification for a debate at this time. At the same time, I could add that I might have thought it was a bit premature. As I have said, I have considered all aspects of the matter as sympathetically as possible and, in view of all the circumstances I did not think that an emergency debate should be held under the terms of Standing Order 26.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. In view of your remarks I am wondering whether it might alleviate the situation greatly if the Government House Leader or the Acting Prime Minister would indicate when we will have the kind of useful statement on motions which might resolve much of the apprehension.

Mr. Speaker: Order, please. I suggest to the hon. member that this question might be posed during the question period.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the Production of Papers No. 182 is acceptable to the government.

[Mr. Speaker.]

CORRESPONDENCE REGARDING MARKETS IN RAPESEED AT VANCOUVER AND THUNDER BAY

Motion No. 182—**Mr. Gleave:**

That an Order of the House do issue for a copy of all correspondence between the Minister responsible for the Wheat Board and officials of the Winnipeg Grain Exchange in regard to the operation of the futures and cash markets in rapeseed at Vancouver and Thunder Bay.

Motion agreed to.

Mr. Jerome: Mr. Speaker, Notices of Motions Nos. 168 and 176 are acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the governmental authorities concerned.

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that the said motions shall be deemed to have been adopted?

Some hon. Members: Agreed.

CORRESPONDENCE CONCERNING REVISIONS TO REGIONAL DEVELOPMENT INCENTIVES ACT

Motion No. 168—**Mr. Burton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, reports, memoranda and other documents since July 1, 1970, between the federal government and the provinces concerning revisions to the Regional Development Incentives Act and the development of new programs by the Department of Regional Economic Expansion.

Motion agreed to.

CORRESPONDENCE RELATING TO DESIGNATION OF SPECIAL AREAS WITHIN BRITISH COLUMBIA

Motion No. 176—**Mr. Barnett:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence exchanged between the Government of Canada and the Government of the Province of British Columbia on the subject-matter of the designation of Special Areas within the Province of British Columbia under the terms of Section 24 of the Government Organization Act, 1969.

Motion agreed to.

Mr. Jerome: Mr. Speaker, I would ask you to call Notice of Motion No. 87.

CONSULTANT STUDY ON INDIAN SOCIAL DEVELOPMENT

Motion No. 87—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant study on Indian social development undertaken for the Department of Regional Economic Expansion in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am advised by the Department of Regional Economic Expansion that the study referred to was commissioned as a working document, intended only for internal use. As such, it is considered confidential and not for publication. Under the circumstances I wonder whether the hon. member would agree to withdraw his motion.

Mr. Skoberg: I agree, Sir.

Order discharged and motion withdrawn.

Mr. Burton: Mr. Speaker, I should like to draw the attention of the parliamentary secretary to Notice of Motion No. 197 which was placed on the order paper on February 11. Since the Prime Minister at one point indicated a willingness to table such correspondence subject to the usual reservations and since this motion involves a relatively limited portion of that correspondence, I wonder whether the parliamentary secretary could arrange to have the motion dealt with as soon as possible.

Mr. Jerome: I will look into it, Mr. Speaker.

ORAL QUESTION PERIOD

MANPOWER

SUMMER EMPLOYMENT FOR STUDENTS—REQUEST FOR STATEMENT ON GOVERNMENT PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Is he prepared to give the House an assurance that he will make a statement before the end of this week with regard to the government's program to facilitate the employment of students this spring and summer. I ask this question at this time in view of the failure of the minister and the government to announce any program despite the fact that students will be seeking employment within a matter of a month?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I can only say a statement will be made on the subject as soon as that can be done.

Mr. Stanfield: Mr. Speaker, I should like also to ask the minister, who seems to have a very casual attitude toward the problems of the students—

Some hon. Members: Oh, oh!

Mr. Stanfield: In fact, I might ask the Acting Prime Minister whether the government, in view of the difficulties it is creating for students this summer, is prepared to convene a meeting with the provinces in order to ensure that the students who will not be able to get work this summer because of the policies of this government—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Stanfield: —will have the financial resources necessary to go back to school?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is precisely because discussions are now going on with the provinces that the government is not yet in a position to make an announcement of a program that is much bigger and much better, we think, than the one last year and one which I hope will meet with the approval of the Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, could the Acting Prime Minister say whether it will include the question of financial resources in general for the purpose of returning to college next autumn with a view to ensuring that young Canadians who are unable to get work this summer will have adequate financial resources to return to college and school?

Mr. Sharp: Mr. Speaker, the whole purpose of our plans, as the Leader of the Opposition should recognize, is to provide useful and gainful employment particularly to those who will be continuing their education. It is with that in mind that we are now having discussions with the provinces. When I referred to a bigger and better program I meant that the federal government will be spending more money.

PROVISION OF EMPLOYMENT FOR PROFESSIONAL GRADUATES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of reports that the job opportunities for professionals graduating this year are 30 per cent less than they were last year, while the increase in applications is about 13 per cent higher than last year, is the government giving consideration to programs to provide employment for these highly trained people?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, while some significant attention has been paid to these figures because of the unusualness of this particular group having any particular problem, it is our confident expectation that the upturn in the economy which is taking place and is expected to continue will soon provide jobs for them.

Mr. Orlikow: Are we to take it then that no special studies are being carried out which pay particular attention to these people for whom so much has been expended in providing them with an education?

Mr. Lang: I do not think the hon. member can take that from the remarks. There are indeed studies about

every section of the work force under way at different levels. The point I was making was that some of these groups who are at present having difficulty finding jobs will indeed be in short supply again before long after the economy has got fully under way.

FEDERAL-PROVINCIAL TASK FORCE TO STUDY STUDENT EMPLOYMENT PROBLEM

Mr. David MacDonald (Egmont): I have a question for the Acting Prime Minister. Since over the past few years we have been faced every spring with more young people coming on the job market in an atmosphere of uncertainty and apprehension, and as the time has now come to have an intelligent, integrated and permanent solution to the problem of student employment, would the Acting Prime Minister and his colleagues consider the constitution of a federal-provincial task force to study both long and short-range solutions to this problem so that governments may begin to meet their responsibilities to the young people of this country?

Hon. Mitchell Sharp (Acting Prime Minister): I will at least agree with my hon. friend that I do not think we can look upon this problem as one that will come on us without notice from year to year. I am satisfied, and I think members of this government are, that there will have to be a program from year to year in the future unless, of course—and this is one of the problems that is raised—we change our university year and provide for the education of students throughout the year rather than leaving a big gap in the summer time.

Mr. Speaker: Order, please. I will recognize the hon. member for Egmont on a supplementary question. I take the liberty of mentioning to hon. members that a number of members would like to ask supplementary questions on this subject, but we should not have an excessive number of supplementary questions on the first subject raised because then we will run short of time. For the moment the Chair will recognize the hon. member for Egmont.

Mr. MacDonald (Egmont): Would the Acting Prime Minister address himself to the essence of my question and suggestion that the government might consider the establishment of a federal-provincial task force in order to implement a program now for the many thousands of students who will be faced with summer unemployment?

Mr. Sharp: I thought I made it quite clear in my answer to the Leader of the Opposition that discussions are going on with the provinces. You can call them task forces or whatever you like. They are engaged in a thoroughgoing and fundamental discussion of this problem, and I can assure the hon. member that we are also discussing the longer term problem because we think it will arise from year to year.

[*Translation*]

Mr. Speaker: Does the hon. member for Shefford have a supplementary question?

[Mr. Lang.]

Mr. Gilbert Rondeau (Shefford): No, Mr. Speaker.

[*English*]

UNEMPLOYMENT INSURANCE—INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO ACT

Mr. Lincoln M. Alexander (Hamilton West): I would like to direct a question to the Minister of Labour. In view of the fact that the student employment situation this summer will more than likely aggravate the intolerable unemployment problem at this time and for the future, can the minister now state whether he is prepared to give the House a definite indication of when he will be bringing in his legislation dealing with unemployment insurance?

Hon. Bryce Mackasey (Minister of Labour): Being as definite as I can, I would anticipate that the legislation will be tabled very shortly.

Mr. Alexander: Since the minister and his colleagues have continually stated in the past month that this legislation would be brought in very shortly, which to me means very little, would the minister advise whether he indicated to the Canadian Labour Congress any reasons for not bringing in immediate relief by way of widening accessibility to unemployment insurance benefits and increasing the amounts in order to help alleviate this very serious situation—

Mr. Woolliams: Created by the government.

Mr. Alexander: —created by the government?

Mr. Mackasey: Mr. Speaker, I can just say very shortly that I think the hon. member, as a member of the standing committee, knows that it is the intention of the government and of the proposed legislation to begin phasing in the new plan as of July 1, and I have no reason to believe the bill will not be tabled in sufficient time to make this possible. In so far as extending the benefit period and raising the benefits is concerned, this is another matter. It is a question of whether people who are unemployed for a long period of time should be helped through unemployment insurance or through other social policies.

Mr. Speaker: Order, please. I see at least six other hon. members who have supplementaries to ask. I call on hon. members to make sure that there are not too many. I suggest there should perhaps be only one from each hon. member who is recognized. The hon. member for South Western Nova.

SUMMER EMPLOYMENT FOR STUDENTS—ATTENDANCE OF OFFICIALS AT CONFERENCE SPONSORED BY SOCIAL DEVELOPMENT COUNCIL—PROVISION OF GRANT

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I which to direct a supplementary question to the Acting Prime Minister. In view of the fact that the government will not call a federal-provincial conference on this question, can the Acting Prime Minister state

whether some government officials will attend the conference sponsored by the Canadian Council on Social Development, dealing precisely with youth programs for the summer, and will a grant be made by the government as requested by that organization?

Mr. Speaker: While the matter is being pondered, the hon. member for Surrey has a supplementary question.

SUGGESTED EMPLOYMENT OF YOUTH TO COMBAT POLLUTION

Mr. Barry Mather (Surrey): Mr. Speaker, my supplementary question is directed to the Secretary of State and I gave him notice of it earlier this week. Having in mind the high level of unemployment among our young people in Canada, and also the high level of pollution in its various forms across the country, would the minister give consideration to employing a large number of young people this summer to work on combating the various forms of pollution?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker, that is in fact part of the summer employment program.

ESTABLISHMENT OF CIVILIAN SERVICE CORPS FOR STUDENTS

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask the Acting Prime Minister a question.

With reference to the last Liberal convention which accepted a resolution favouring the establishment of a civil service to create employment for students, can he tell us if his government is studying the possibility of establishing such a service?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government will be bringing its plans before the House. It will be making an announcement on the establishment of machinery for this purpose.

SUMMER EMPLOYMENT FOR STUDENTS—CO-OPERATION OF INDUSTRY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my supplementary is directed to the Acting Prime Minister. Has the government made any special formal effort to seek the co-operation of industry in resolving this problem, what type of effort has this been, and with what results?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is our intention in the program that will be brought before the House to enlist the endeavours of private industry and private individuals and institutions generally.

Mr. Lundrigan: Mr. Speaker—

Inquiries of the Ministry

Mr. Speaker: Order, please. I have suggested to hon. members that there should be but one supplementary asked by each member. I seek the hon. member's co-operation because I gather there are three or four other hon. members who wish to ask supplementaries on this subject.

[*Later:*]

Mr. Lundrigan: On a point of order, Mr. Speaker, obviously the Acting Prime Minister did not hear my question because I did not get an answer. Has there been any special formal effort to seek the co-operation of industry in trying to resolve the problem and, if so, what type of formal effort, and with what results?

Mr. Sharp: I do not think the hon. member heard my answer. I said that in the program we will be bringing before the House there will be provision for enlisting the support and the encouragement of private industry in the employment of students.

* * *

UNEMPLOYMENT INSURANCE

INCLUSION OF SCHOOL TEACHERS UNDER NEW LEGISLATION

Mr. R. E. McKinley (Huron): Mr. Speaker, this question is directed to the Minister of Labour and is supplementary to one previously asked with regard to unemployment insurance. In view of all the representations that have been made to members by teachers resisting the fact that they are going to be included in unemployment insurance, can the minister give us any indication whether he may have a change of heart in this regard?

Mr. Speaker: Order, please. That is hardly a supplementary question. I think we are getting away from the original subject, but the question has been asked by the hon. member and perhaps it should be answered by the minister concerned. The Chair will then go on to the next subject.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, it is my firm intention, when the legislation comes forward, to make the plan as universal as possible, and that would include school teachers.

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OIL

POSSIBLE MACKENZIE VALLEY PIPELINE—APPLICATION BY INDUSTRY TO ENERGY BOARD—ECOLOGICAL CONSEQUENCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources arising out of reports of his

visit to Washington yesterday. Has he publicly invited the oil industry to make an application to the National Energy Board to construct a pipeline down the Mackenzie Valley to the United States?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I have not issued an invitation in those terms, but I have pointed out to my American counterparts the fact that the line to Valdez, which would mean tanker carriage of oil down the Pacific coast, would be ecologically very dangerous, and that it might be preferable to consider the Mackenzie Valley line and make an application to the National Energy Board in the normal course, at which time the economic and ecological considerations would be carefully considered during the determination of such application.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the minister's reported statement in Washington that the Mackenzie route would be advisable from the standpoint of ecology, may I ask the minister the basis for this statement in view of the fact that on February 23 the Minister of Indian Affairs and Northern Development stated that the ecological studies regarding this route had not yet been completed? I am therefore asking the minister on what basis has he decided that this would be a safer route in view of the fact that the studies have not been completed?

Mr. Greene: I am, of course, not responsible for press reports even though I am responsible for many other things. My statement was to the effect that there was very great concern about the possibility of marine disaster, that there has been a three-year study by the Mackenzie Valley pipeline group in regard to pipeline safety at Inuvik, and that the question of the safety of such a pipeline would be considered at any National Energy Board hearing. Certainly I think that in that regard I am on all fours with the Minister of Indian Affairs and Northern Development.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the statement the minister has just made that he has advised the oil industry to apply to the National Energy Board to construct such a pipeline, and in view of the fact that the National Energy Board is competent to deal with energy matters, who will make the decision with respect to the ecological matters? Is this a government decision, or is the minister now going to delegate to the National Energy Board the power to make decisions with regard to the ecology of the northern region?

Mr. Greene: I believe if my hon. friend will read the National Energy Board Act he will find that the question of the safety of the pipeline, in other words, the protection of the ecology, is very much one of the relevant issues in any application to the National Energy Board for the construction of a pipeline. Therefore in the first instance the Board does make that decision, along with other questions relevant to the application, and thereafter it must be ratified or denied by the government.

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

CONTROL OF POSSIBLE MACKENZIE VALLEY PIPELINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I was going to say we did not believe there was more than one of the minister, but when he talked to his counterparts in the United States and extended his invitation to the oil industry did he give any indication as to who would have control of this pipeline going through Canada? Has the minister given any indication to the oil industry that this pipeline would have to be controlled by Canadian interests, and if he has not given such indication what is the position of the government on this matter?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I affirmed the announcement made by myself and the Minister of Indian Affairs and Northern Development in August of last year, in which the conditions for the construction of such a pipeline were very clearly outlined both with respect to control by regulatory authorities on the Canadian side and with respect to ecological control, and in particular with respect to the fact that Canadian resources would have to have access to such a pipeline if it were built. That is still the government's position which was affirmed by me at my meeting in Washington yesterday.

Mr. Stanfield: Am I to assume from the minister's reply that he said nothing about ownership?

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[*Translation*]

FILMS

INQUIRY RESPECTING GOVERNMENT GRANT FOR PRODUCTION OF "LES MALES"

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Secretary of State.

Can he tell us whether the producers of the film "Les Males", who are well-known to him, have received a direct or indirect grant from his department?

Hon. Gérard Pelletier (Secretary of State): Certainly not from my department, Mr. Speaker, which does not give grants for the production of films, but perhaps from the Film Development Corporation, as a loan. I shall make inquiries in order to reply to the hon. member.

* * *

[*English*]

EXTERNAL AFFAIRS

REPRESENTATIONS TO SOVIET UNION RESPECTING TREATMENT OF JEWS WISHING TO EMIGRATE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the recent heinous penalties handed out by Soviet courts in Lithuania and other Baltic countries against citizens of those countries who wish to leave, the refusal of the government of the U.S.S.R. to allow Jews to emigrate, and the frightening penalties

being imposed on both Jews, Ukrainians and other captive peoples, has this government made representations to the embassy of the U.S.S.R. or directly to the U.S.S.R. pointing out that such actions are in direct contravention of the United Nations charter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the right hon. gentleman knows and as has been announced in the House, we have made representations to the Soviet Union about the treatment of Jews there. We have also made representations in particular cases in relation to other national groups.

Mr. Diefenbaker: Mr. Speaker, I am referring to the recent persecutions. Would the minister state how long ago it was that the last representation was made by the government of Canada in this connection?

Mr. Sharp: Within the last few weeks, Mr. Speaker.

Mr. Diefenbaker: And what was the reaction?

Mr. Sharp: Mr. Speaker, to judge from what has happened in the Soviet Union, and I would not want to take full credit for what has happened—

Some hon. Members: Oh, oh!

Mr. Sharp: —I join with all of those countries that have made representations in saying we are relieved that at least some action has been taken by Soviet authorities to alleviate the penalties that would otherwise have been imposed.

Mr. Diefenbaker: Mr. Speaker, instead of generalizing in this manner and not taking credit—it is the only thing the government has not taken credit for, including the courage to bring about unemployment—will the minister state whether or not the government of Canada will bring a resolution before the United Nations in this connection and give that leadership to the world that this government sometimes boasts about?

Mr. Sharp: Mr. Speaker, certainly I would look at this as a proposition. Having been Prime Minister of Canada the right hon. gentleman knows that sometimes one can achieve greater results by less flamboyant methods.

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POLLUTION

SPRINGHILL MINE DUMP FIRE—REPRESENTATIONS BY FEDERATION OF NOVA SCOTIA HOME AND SCHOOL ASSOCIATIONS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I should like to direct a question to the Minister of Fisheries and Forestry. Has the minister's attention been drawn to the representations made by the Federation of Nova Scotia Home and School Associations regarding the pollution and the dangers therefrom from the Springhill mine dump fire to the residents of that town? If so, what action is the minister undertaking to at least provide information in this regard?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, tests have been made and to date do not indicate any health hazard. Further tests will be carried out this summer with regard to carbon monoxide content. Were this to be a health hazard it would be dealt with by the Department of National Health and Welfare.

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NATIONAL SECURITY

PUBLIC ORDER (TEMPORARY MEASURES) ACT—FURTHER ARRESTS IN MONTREAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is directed to the Minister of Justice. In view of Premier Bourassa's statement that the Public Order (Temporary Measures) Act would only be applied in exceptional circumstances—I believe there was a cabinet declaration to that effect—has the Minister of Justice been informed of any exceptional circumstances which led to the arrest of seven people in Montreal on Monday under that Act?

Hon. John N. Turner (Minister of Justice): I have no comment to make about those arrests, Mr. Speaker.

Mr. Woolliams: Mr. Speaker, the minister says he has no comment to make. Is it the fact that he has no knowledge—and I say this nicely to him—or does he refuse to comment?

Mr. Turner (Ottawa-Carleton): I refuse to comment because the matter will be before the courts, Mr. Speaker.

Mr. Woolliams: May I put another supplementary question to the minister. Three or four of the people arrested have now been released and so are not before the courts. Would the minister look into the matter and accept his responsibility in light of that question?

Some hon. Members: Hear, hear!

WAR MEASURES ACT—PERSONS RELEASED WITHOUT CHARGE—DESTRUCTION OF RECORDS RETURNED TO PROVINCIAL OR MUNICIPAL POLICE

Mr. David MacDonald (Egmont): I have a question for the Minister of Justice, Mr. Speaker. Some time ago the minister was asked about the status of certain records of people who had been detained under the War Measures Act and later released without charge. The minister assured us that these records had been returned to the provincial or municipal police authorities by the RCMP. Can the minister now give the House the assurance that these records have been destroyed?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I dealt with this matter rather fully in reply to a question by the hon. member for Fundy-Royal. I stated that I had written to the Attorney General of Quebec declaring what I had done with respect to the Royal Canadian Mounted Police when I was Acting Solicitor General. I have not yet received a reply.

Inquiries of the Ministry

Mr. MacDonald (Egmont): In the letter that was sent to the provincial Minister of Justice did the minister ask for an assurance that these documents, now held illegally, would not be used against these people at some later date?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, under our constitution this responsibility lies with the Attorney General of Quebec, and I would not presume to give him legal advice.

WITHDRAWAL OF PUBLIC ORDER (TEMPORARY MEASURES) ACT

Mr. Eldon M. Woolliams (Calgary North): In view of the fact that the Quebec cabinet has made a declaration not to use the Act, is the Minister of Justice now prepared to withdraw the Public Order (Temporary Measures) Act?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the Act will be withdrawn when the facts of the underlying situation warrant such action.

[*Translation*]

QUEBEC—POSSIBLE APPLICATION OF PUBLIC ORDER (TEMPORARY MEASURES) ACT, TO ORGANIZED CRIME

Mr. Pierre De Bané (Matane): Mr. Speaker, I have a supplementary question for the Minister of Justice. Does he intend to make inquiries of his Quebec counterpart as to the latter's statement, according to the March issue of *Le Magazine Maclean,* when, having been asked whether he will apply the War Measures Act against the Mafia he replied that this might happen.

* * *

[*English*]

INDUSTRY

BOOK PUBLISHING—ASSISTANCE TO FIRMS IN PREVENTING FOREIGN TAKEOVERS—ESTABLISHMENT OF DEVELOPMENT CORPORATION

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Secretary of State and arises out of his meeting this week with Canadian book publishers. Is it the minister's intention to provide aid to Canadian book publishers to prevent future foreign takeovers? If so, what sort of aid is contemplated and when may we expect it?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, since the Canadian publishers were attending an advisory meeting, we wanted to obtain some first hand information as to their needs and receive their suggestions. We have them now and we are going to study the situation for the obvious purpose of taking measures and helping this industry which is in a precarious position and is very important to Canadian culture.

[Mr. Turner (Ottawa-Carleton).]

[*English*]

Mr. Rowland: Is the minister contemplating legislation to deal with the situation such as that suggested by the publishers themselves for the creation of a Canadian book development corporation or some such device?

[*Translation*]

Mr. Pelletier: Mr. Speaker, since the meeting only ended last night, the study of the suggestions which were made has not been thorough enough to enable me to tell the hon. member whether potential solution will necessitate new legislation or whether we will be in a position to work effectively under existing legislation.

[*Later:*]

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): My question is supplementary to one asked earlier of the Secretary of State. I would like to know if the study the minister is going to make of the problems of the book publishing industry will be separate and apart from the study presently being carried on by the Minister of National Revenue who is supposed to produce a paper on foreign ownership?

[*Translation*]

Mr. Pelletier: No, Mr. Speaker, these are two studies and two actions that will be carefully co-ordinated.

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ADMINISTRATION OF JUSTICE

DRUGS—IMPOSITION OF HEAVIER PENALTIES ON USERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Justice.

As the RCMP arrested 1,000 persons per month in 1970 for offenses related to the use of marijuana, hashish and other psychotropic drugs, does the minister intend to set, in future, heavier penalties or is he considering, in co-operation with the Minister of National Health and Welfare, launching a large advertising campaign to show the danger of the use of these drugs?

Hon. John N. Turner (Minister of Justice): The government is still examining this touchy question, Mr. Speaker.

* * *

[*English*]

POLLUTION

POSSIBLE THREAT TO BRITISH COLUMBIA COAST FROM OIL TANKER TRANSPORT—OPPORTUNITY FOR PARLIAMENTARY DEBATE

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Acting Prime Minister. Since he is also responsible for external affairs, it will have a double effect. In light of the enormous ecological implications of the TAPS oil tanker route, will the government

consider presenting a motion in Parliament to enable the whole Parliament of Canada to express Canada's insistence of full bilateral discussions and the frank recognition of Canada's interest in an ecologically satisfactory oil transport system?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I thought that the government of the United States would not respond to the invitation I have made to them to engage in consultations with us on this question, I would consider the suggestion that is being made by the hon. member. However, I believe there is no reason whatever to think that the United States will not be prepared to consult with us quite fully on this question.

Mr. Comeau: Is the government prepared to suggest to the United States government that the question of a continental energy policy, something they very much want, cannot be isolated from an ecologically satisfactory answer to the oil tanker issue on our west coast?

Mr. Sharp: I do not think there is the direct relationship between these two questions that the hon. member thinks there is. The United States has not bargained with us for a continental energy policy. I have never heard this suggestion made by any responsible spokesman for the United States government.

Some hon. Members: Oh, oh!

POSSIBLE THREAT TO BRITISH COLUMBIA COAST FROM OIL TANKER TRANSPORT—CONSULTATIONS WITH UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question for the Acting Prime Minister. Has he received a favourable response from the United States to his request for consultations so that some bilateral arrangement can be worked out in the event there are to be oil tankers operating between Valdez, Alaska and Cherry Point along the British Columbia coast?

Hon. Mitchell Sharp (Acting Prime Minister): As the leader of the New Democratic Party knows, I wrote to the Secretary of State. I have not received a formal reply yet. There have been informal consultations, the most fruitful of which have been those engaged in by my colleague, the Minister of Energy, Mines and Resources.

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NORTHERN AFFAIRS

LAND USE REGULATIONS FOR TERRITORIES

Mr. Thomas S. Barnett (Comox-Alberni): I have a question for the Minister of Indian Affairs and Northern Development. It is supplementary to the line of questioning initiated by the hon. member for Nanaimo-Cowichan-The Islands. When will the proposed draft land use regulations for the territories be made available for consideration by the members of this House and, in particular, when does he intend to refer them to the standing committee as he indicated last session he would do?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the regulations in question have not yet been prepared in a permanent form because we are presently in consultation with the elected members of the Northwest Territories and the Yukon. However, as soon as these consultations have been completed, the regulations will be published in the *Canada Gazette*. We hope that the appropriate House Committee will then be in a position to comment on them.

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[*English*]

PUBLIC WORKS

CHURCHILL DEVELOPMENT PROGRAM—ESTABLISHMENT AS GOVERNMENT SUPPLY BASE FOR NORTHERN COMMUNITIES

Mr. Robert Simpson (Churchill): My question is for the Minister of Supply and Services. In view of the recently announced extensive development program for the town of Churchill, Manitoba, will the minister confer with his cabinet colleagues in an effort to have the port of Churchill established as a base for government supply requirements in the northern communities in order to create a more viable economy in that town?

Hon. James Richardson (Minister of Supply and Services): I will be glad to confer with the responsible minister, Mr. Speaker.

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AGRICULTURE

INTERPROVINCIAL MARKETING—REQUEST FOR REFERENCE TO SUPREME COURT ON VALIDITY OF SECTION 121 OF BRITISH NORTH AMERICA ACT

Mr. Jack Horner (Crowfoot): I wish to direct a question to the Minister of Justice. In view of the fact that the Standing Committee on Agriculture has bogged down in its study of Bill C-176—

Some hon. Members: Oh, oh!

An hon. Member: Guess why?

Mr. Horner: —and in view of the fact that the Canadian Broiler Council has rejected the concept of supply management on a national basis, will the minister take a test to the Supreme Court of Canada to prove the validity or strength of section 121 of the British North America Act?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I do not think a reference to the Supreme Court of Canada is necessary to substantiate that section of the

British North America Act. If the hon. member can suggest some way in which we can agree on the facts to provide a stated case to the Supreme Court of Canada, that might be useful. As I have said, the various statutes across the country and the regulations under those statutes do not provide enough agreement, particularly as they are being administered, to present a case to the Supreme Court of Canada by way of a reference.

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UNEMPLOYMENT INSURANCE

PROVISION OF BENEFITS FOR WOMEN DURING MATERNITY LEAVE IN FORTHCOMING AMENDMENTS TO ACT

Mr. Andrew Brewin (Greenwood): My question is for the Minister of Labour. Is it proposed to include in the forthcoming bill amending the Unemployment Insurance Act provision for unemployment insurance benefits for women contributors during maternity leave, as recommended by the Royal Commission on the Status of Women in its seventeenth recommendation?

Hon. Bryce Mackasey (Minister of Labour): I cannot be specific about what is in the legislation until it is tabled, which will be fairly soon, but this was one of the strong features in the white paper and one of the recommendations endorsed by the standing committee.

Mr. Stanley Knowles (Winnipeg North Centre): Will the minister assure the House that the government will stand by the commitment made in the white paper and endorsed by the committee?

Mr. Mackasey: I am afraid the hon. member will have to wait and see.

PROVISION OF SUPPLEMENTARY BENEFITS PENDING LEGISLATION TO AMEND ACT

Mr. James A. McGrath (St. John's East): Is the minister prepared to bring in by way of supplementary estimates or otherwise a provision for supplementary unemployment insurance benefits, in keeping with the request of the Canadian Labour Congress, to cover the interim period until the minister brings in the new legislation?

Hon. Bryce Mackasey (Minister of Labour): That was a very interesting part of the brief, but my own personal instincts are to not try to patch up the present legislation but to move forward as quickly as possible with the new legislation.

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[*Translation*]

EXTERNAL AFFAIRS

ALLEGED DISCRIMINATION BY RUSSIA AGAINST JEWS—SUGGESTED TERMINATION OF COMMERCIAL RELATIONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

[Mr. Turner (Ottawa-Carleton).]

Lately, the Canadian Labour Congress has urged the Canadian government to discontinue its trade with South Africa because of its apartheid policy.

My question is as follows: Has the Canadian Labour Congress also asked the Canadian government to discontinue its trade with the Soviet Union because of that country's policy towards Jews?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, certainly not at the meeting I attended the other day.

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CAPE BRETON DEVELOPMENT CORPORATION

REQUEST FOR STATEMENT ON PLANS TO CREATE EMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of Regional Economic Expansion who reports to the House for the Cape Breton Development Corporation. In view of the very serious unemployment situation on Cape Breton Island, how soon will the minister be in a position to announce what programs and policies the corporation may have to alleviate this very bad situation?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I hope I can do that soon, Mr. Speaker.

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FINANCE

FEDERAL RESPONSE TO UNEMPLOYMENT AND WELFARE PROBLEMS—SUGGESTED MEETING WITH REPRESENTATIVES OF PROVINCES AND CITIES

Mr. S. Perry Ryan (Spadina): My question is for the Minister of Finance. Is it the position of the government that the $160 million federal-provincial special development loan program is to be the extent of the federal response to the unemployment and welfare crisis of the present winter? If not, will the government agree to meet the cities and the provinces so as to undertake an objective inventory of mutual resources and responsibilities in connection with these matters?

Hon. E. J. Benson (Minister of Finance): The $160 million loan fund is one of a great many measures which have been taken since last March by the government in order to speed up the economy.

Mr. Ryan: A supplementary question.

Mr. Speaker: Order, please. Before we get into a debate I wonder whether the hon. member for Spadina would recognize that perhaps we might go on to a number of other questions before we reach the end of the question period.

Mr. Ryan: Thank you, Mr. Speaker, I have a supplementary question. Will the government consider adopting a flexible policy with regard to grants and loans directed to the provinces and cities this winter?

Mr. Speaker: The hon. member's question is in the form of a representation to the minister. The hon. member for South Shore.

Mr. Ryan: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I had intended to return to the hon. member, but if he seeks the floor on a point of order—

Mr. Ryan: With respect, Your Honour has suggested that I have made a representation. I have never heard it ruled before that it was not possible to make a representation—

Mr. Speaker: Order, please.

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FISHERIES

PROPOSED REGULATION RESPECTING LENGTH OF TRAWLERS OPERATING INSIDE 12 MILE LIMIT—REACTION OF OTHER COUNTRIES

Mr. Lloyd R. Crouse (South Shore): I wish to direct a question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs. Has the Canadian government or, more specifically, the Secretary of State for External Affairs taken any initiative in notifying the treaty countries of our intention to prohibit trawlers of more than 65 feet in length from operating inside the 12-mile limit of the coast of Newfoundland and, if so, what was the response to his request?

Hon. Mitchell Sharp (Acting Prime Minister): There have been some discussions but I should like to take the question as notice so that I can give a precise answer.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): A supplementary to the Minister of Fisheries. In view of the misunderstanding and confusion which exists concerning the recent announcement of the minister that these areas will be closed to draggers, will the minister, in a statement on motions or at some appropriate time, try to specify exactly what areas are covered by his recent announcement?

Hon. Jack Davis (Minister of Fisheries and Forestry): Yes, Mr. Speaker.

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DRUGS

POSSIBILITY OF REOPENING INTERNATIONAL CONVENTION ON PSYCHOTROPIC SUBSTANCES FOR FURTHER NEGOTIATIONS

Mr. Stan Schumacher (Palliser): My question is for the Minister of National Health and Welfare. I should like to

ask him whether Canada can have the draft of the international convention on psychotropic substances reopened for negotiations between receipt of the Le Dain report and the final ratification date of January 1, 1972.

Hon. John C. Munro (Minister of National Health and Welfare): I do not think it is a question of renegotiation at this time. The convention does not come into force until 40 countries have signed it; 20 countries are prepared to do so at the present time.

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ATOMIC ENERGY

NEGOTIATIONS WITH JAPAN RESPECTING ESTABLISHMENT OF ENRICHED URANIUM PLANT IN MANITOBA

Mr. Rod Thomson (Battleford-Kindersley): Having regard to the statement by Lorne Gray that Canada will be unlikely to sell a Candu atomic energy plant to Australia, and bearing in mind that Australia may purchase a uranium enrichment plant from Britain, will the minister tell the House whether Canada is negotiating with Japan with a view to the possible establishment of an enriched uranium plant in Manitoba?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): I do not believe any clearcut decision has yet been reached with regard to the transaction with Australia. As to the possibility of setting up an enrichment plant somewhere in Canada, we are pursuing discussions with the Japanese and we also contemplate holding discussions with the Australians in this regard.

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[*Translation*]

FINANCE

PROPOSED NATIONAL SECURITIES COMMISSION—OPPOSITION BY QUEBEC

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Does the government intend to proceed with its plan to establish a National Securities Commission, in spite of the objection expressed yesterday by the Quebec Securities Commission?

[*English*]

Hon. E. J. Benson (Minister of Finance): I am sorry, Mr. Speaker. I did not get the purport of the question.

Mr. Speaker: Perhaps the minister might take the question as notice and reply tomorrow.

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OIL

POSSIBLE MACKENZIE VALLEY PIPELINE—POSITION RESPECTING OWNERSHIP

Mr. Paul Yewchuk (Athabasca): My question is really supplementary to those pertaining to the possible con-

struction of a pipeline down the Mackenzie Valley. It is addressed to the Minister of Energy, Mines and Resources. Can the minister tell us whether the government has taken a specific position in connection with the ownership of such a pipeline, that is, how much of it should belong to Canadians and how much to interests other than Canadian?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): The guidelines issued by the Minister of Indian Affairs and Northern Development and myself in August indicate that preference will be given to any entrepreneur on the basis of maximum Canadian content but no firm and unequivocal position has been taken. When amounts of capital of this kind are involved, totalling somewhere in the neighbourhood of $4 billion, we have no way of knowing what percentage of the equity could be raised in Canada.

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GRAIN

GRASSLAND INCENTIVE PROGRAM—MINIMUM ACREAGE TO QUALIFY FOR ASSISTANCE

Mr. S. J. Korchinski (Mackenzie): I should like to ask the Minister of Manpower and Immigration a question relating to his grassland incentive policy. Would he consider dispensing with the requirement that a minimum of 25 acres is needed in order to qualify for assistance? If not, would he arrange to make it possible for farmers to accumulate acreages during the three years of the program in order to qualify under the 25-acre requirement?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The program as announced does contain a 25-acre limitation per year. For a variety of administrative reasons, I think it would be desirable to consider only applications of this size as a minimum. However, I will be glad to take a further look at the question.

Mr. Speaker: Order, please. The question period expired a few minutes ago. With the consent of the House the hon. member for Mackenzie might be allowed to ask a supplementary question. I gather that the Minister of National Revenue is also anxious to reply to a question asked yesterday.

Mr. Korchinski: Thank you, Mr. Speaker. I should like to ask whether there will be on the spot inspections only in connection with this scheme or whether there will be spies in the sky taking aerial photographs as was done last year?

Mr. Lang: While the aerial surveys carried out last year were undoubtedly successful in giving us better information about acreages, it is anticipated that the inspection of the forage acreage under this plan will be carried out by individuals.

[Mr. Yewchuk.]

NATIONAL REVENUE

DELAY IN ISSUING T-4 SLIPS TO GOVERNMENT EMPLOYEES

Hon. Herb Gray (Minister of National Revenue): Yesterday, Mr. Speaker, the hon. member for Red Deer asked me a question concerning the distribution of T-4 slips to government employees. While this is a matter which comes primarily within the jurisdiction of the Department of Supply and Services rather than the Department of National Revenue, I think I can inform the hon. member that all of the T-4 slips in respect of salaries and wages paid during 1970 were sent between February 12 and February 23 from the paying offices of the services administration of the Department of Supply and Services to all government departments for distribution to their employees. I am sure my colleague the Minister of Supply and Services will be happy to supply any additional information required.

Mr. R. N. Thompson (Red Deer): My question related to the fact that these T-4 slips had not reached the employees. Perhaps it is a problem involving the Post Office rather than the department.

Mr. Speaker: Orders of the day.

Mr. Nesbitt: On a point of order, Mr. Speaker, I should like to ask permission to seek the unanimous consent of the House to revert to motions in order that I may propose a motion under the terms of Standing Order 43, requesting a discussion of student unemployment.

Some hon. Members: No.

Mr. Speaker: I gather there is not unanimity. Orders of the day.

• (3:10 p.m.)

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed, from Tuesday, March 2, consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs and the amendment thereto of Mr. Baldwin (P. 3894).

Mr. Ian Watson (Laprairie): Mr. Speaker, when I called it ten o'clock last night, I indicated that I approved the major objectives set out for the Canada Development Corporation which are to develop strong Canadian controlled and managed corporations in the private sector of the economy and to provide broader opportunities for Canadians to invest and participate in the economic development of Canada.

I also said I was confident that the CDC would play an important role in future Canadian development and that it could contribute to improving Canadian competitiveness in world markets and in the arrangements for corporation rationalization and amalgamations in which we expect it to take part. By stimulating and encouraging such changes in Canadian industry, the Canada Development Corporation will strengthen our industrial structure and consequently render it less vulnerable to foreign take-overs.

Having said that, I wish to express reservations about the lack of specifics in this bill with regard to natural resource development. I realize that northern development and resource development are part of the bill's objects, but several features of the bill convince me that it was drafted by people who were manufacturing industry-oriented rather than resource-oriented. Certainly, mineral and hydrocarbon resource development experience appears to have been lacking among those who drafted Bill C-219. This has resulted in certain contradictions being built into the bill. As a prime example, the bill specifically directs the CDC to invest for profit in the best interests of the shareholders. I have no quarrel with that objective when it is applied to the broad spectrum of industrial investment opportunities, which the drafters of the bill presumably had in mind when drafting it. But the government, in my view, must make a clearer distinction than it has between general industrial investment and high risk, natural resource development investment.

If this distinction is not made, difficulties will eventually become inevitable. The specific directive contained in clause 6 stressing investments made both in anticipation of profit and in the best interests of the shareholders, while essential for general industrial investment, I am convinced will have an inhibiting effect on investment in risky, long-term mineral and hydrocarbon resource development. Once shares in the Canada Development Corporation are sold to the general public, it becomes inevitable that the directors will be concerned with the generation of revenue for the payment of dividends; and concentration upon investment areas of relatively low risk and certain ultimate yield to support dividend payments will occur. Mining and oil investment in particular are normally high risk. When this normally high risk is combined with the fact that Canada's major undiscovered and undeveloped hydrocarbon and mineral resources are in the Northwest Territories and the Yukon, it is obvious that the risk is hardly compatible with regular dividend payments to shareholders.

Another section of the bill which I feel indicates the inattention of the drafters to mineral resource development is the one million dollar minimum which we find in clause 6 (2)(b). This provision reads:

> —invest in the shares of corporations in each of which, in the opinion of the Board of Directors of the company, the real value of the shareholders' equity after investment by the company will be, or is likely to become, one million dollars or more.

In the mining field especially, it is quite likely that a number of extremely valuable investment opportunities will crop up from time to time, not necessarily restricted to the Northwest Territories and the Yukon. However, let me concentrate attention upon these two areas. If the $1 million minimum remains it will rule out, or at least inhibit, management of the Canada Development Corporation taking steps to invest in some situations which in all probability, over a long period of time, will end up being an extremely good investment. I feel that this one million dollar minimum does not make very much sense, particularly as far as mining investment is concerned, though it may and probably does make sense when applied to the industrial and manufacturing spectrum.

While on the subject of resource development in the Northwest Territories and the Yukon, may I say that it is in these regions that a development corporation is needed most and can contribute most to increasing the percentage of Canadian control over our mineral and hydrocarbon resources. In addition to the obvious economic advantages to Canada of CDC activity in the Yukon and Northwest Territories, such activity would give Canadians a more important sense of participation in national development and has the potential to be an important factor in this country's unity.

After all, 35 per cent of the Canadian land mass lies in the territories. Because its natural resources are under direct federal control, they are the common heritage of all Canadians and should be developed to the benefit of all Canadians, priority, of course, being given to ensuring that the needs of the residents of the northern territories are first met. Nevertheless, all Canadians have a direct stake in the resource development of the Yukon and Northwest Territories. For the CDC to give Canadians a sense of direct participation in the action in the northern territories would be an important contribution to national unity. This bill, with minor changes, combined with a wise selection of leadership for the CDC, has the potential of fulfilling the role I should like to see it play; but as it stands now, and with the emphasis of the bill where it is, I just do not think it will be able to play this role.

Another criticism that I have of this bill relates to the proposal to turn over Panarctic Oils Limited to the corporation at this time. Panarctic may take several more years and perhaps require hundreds of millions of dollars of additional investment before returns begin to flow back to its investors. Even with the tremendous capitalization proposed for the Canada Development Corporation, I doubt very much that the CDC would be prepared to continue to put in funds ranging conceivably to $100 million or more to protect the government's present 45 per cent interest in Panarctic. I, for one, would be extremely unhappy with, and totally opposed to, any reduction in the present 45 per cent interest of the federal government in Panarctic. I am convinced that in the long run this will turn out to be the best investment in Canada that the federal government has ever made. The Panarctic concept is one that I should like to see expanded into other areas, such as, conceivably, offshore hydrocarbon development and mineral development. I doubt very much whether even with its proposed capitalization the CDC would have the funds necessary to maintain a strong federal position in such possible investments.

• (3:20 p.m.)

I mentioned earlier that I thought the selection of the administrators of the CDC would be of prime importance. Certainly, if its chief officer has some mining and oil experience, or experience of resource development, then there will not be too much difficulty in convincing the CDC about resource development investment. But if we end up with a man at the top who has general manufacturing experience, it is inevitable that the CDC management will not put prime stress on resource development, which is where I feel it should be. I suggest to the minister a possible amendment which perhaps he will look at and discuss when the bill is referred to the committee. If we added powers under clause 7, by the addition of a subparagraph, permitting the establishment of a natural resources development company with all the powers of the Canada Development Corporation as outlined in clause 7, we would allow more flexibility.

I should like to see a subsidiary company set up by the Canada Development Corporation specifically designed to develop resources, with shares available to the public. It is absolutely essential that we distinguish between investment in general manufacturing and industrial enterprise across the country and investment in resource development. If shareholders require regular returns and dividends on their investment, we cannot combine this requirement with a daring and aggressive resources policy. Such a policy is essential if we are going to change the percentage of Canadian ownership and control in the resource industry.

We have a great natural resource potential. The CDC has the potential for ensuring a high degree of Canadian participation in the development of these natural resources, including the hydrocarbon industry. This is a painless way to accomplish a higher degree of Canadian control and ownership. We can do this without expropriating anything, and without nationalization. This can be accomplished by an aggressive pursuit of mineral and hydrocarbon investment by Canadians. Investment possibilities in this regard are now available in the Yukon and Northwest Territories.

Finally, I should like to draw the minister's attention, and I am sure this has been done before, to the proposed take-over objective by Canada Development Corporation of the Northern Canada Power Corporation. How this matter got into the bill in the first place is difficult to understand. The Canada Development Corporation's expressed objective is to provide a profit for its shareholders. The objective of the Northern Canada Power Company is to provide electricity at cost to northern consumers. There is just no way these two objectives can exist side by side. The objective of the Northern Canada Power Company is not to make a profit for shareholders of the Canada Development Corporation at the expense of the users of electricity in the Northwest Territories and the Yukon.

If the minister has not already considered this, I urge him to take whatever steps are necessary to eliminate the reference to the NCPC. The two objectives are clearly irreconcilable. Perhaps the parliamentary secretary has something to say in this regard. In terminating what I have to say on this subject, I again urge the minister to make a clear distinction, when the bill comes before the Committee, between general industrial development investment and natural resources investment.

[Mr. Watson.]

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I am delighted to take part in this debate in reference to Bill C-219. First of all, I should like to say that I concur with the amendment moved by the hon. member for Peace River (Mr. Baldwin). It is important that this bill be sent to the committee as quickly as possible in order that a number of matters which are of concern to a number of members in this House can be answered. While I am on my feet this afternoon, I should like to raise several questions and express my opinion. I hope the minister has made note of the various suggestions and will, at the appropriate time, make the appropriate reply.

Is there anyone in this House on the government side who can state the specific purpose of the proposed Canada Development Corporation? I ask that question with all sincerity in an endeavour to obtain a reasonable response. I have asked this question of members on the government side and members on this side. It appears that no one can clearly spell out the precise reason behind this legislation. It was my understanding that the Canada Development Corporation was being proposed to guarantee that certain Canadian interests which might be in danger of being taken over by foreign investors would be protected. I understand that this is not what the Canada Development Corporation is supposed to do.

I noted with some interest the press release of January 25 issued by the Minister of Finance (Mr. Benson) in which he attempted to spell out two or three reasons this legislation is necessary. It suggests that the bill provides for the establishment of a large corporation to do certain things, specifically to help develop and maintain Canadian control and Canadian management in the private sector. How can this be done? If one of the well established industries in the city of Toronto felt that its margin of profit over a given period of time did not warrant the continuation of its marginal operations and wanted to sell these operations to anyone who wished to purchase them, what could be done to keep these operations within the control of Canadians? If I managed such a company and I received a minimal offer, I would look elsewhere. I would run newspaper ads in the United States, and indeed in Europe, if I were interested in selling that company.

• (3:30 p.m.)

Then, if the CDC decided the retention of that company by Canadian interests was in the interests of Canada, it would have to be prepared to buy that company from the seller. Is it not conceivable that Canadians might feel that this company was worth, let us say, half a million dollars. An offer, indeed it could be a phony offer, might be made by United States interests in the amount of $750,000. Then, since the CDC had decided the retention of this industry in Canada was in the Canadian interest,

it would have to pay that higher price in order to retain it in Canada. I should like to know the type of companies the CDC will be interested in, how it intends to procure them and how it intends to convince the Canadian people that investment in these companies is a good idea. It is said that the CDC will provide greater opportunity for Canadians to invest and participate in the economic development of Canada. How will that be done? Will it be through the acquisition of companies, through the acquisition of shares or through the provision of risk capital to risk ventures?

I should like to have answers to some of these questions. For instance, we noted in the newspaper the other day the case of a plywood manufacturing company in Quebec which, after having been purchased by, I believe, the Quebec Development Corporation for something like $1,500,000 not too long ago, found it could not operate economically and is now being offered for sale for something like $500,000. Will the CDC pick up this plywood plant? If the CDC is indeed a profit-oriented corporation what right would it have to pick up that company? What I am a little suspicious about is it appears to me, so far as the Minister of Finance is concerned, that the CDC measure would seem to be a diversionary tactic to get the minds of the people off the more serious problem of unemployment. There seems to be an implied assurance to the people of Canada that they do not need to worry about being out of work because they will be given an opportunity to buy shares in a Canada development corporation, and in that way one day, will be rich.

I find it very difficult to conceive that the government would ask us to vote in favour of a measure which is so vague. Of course, vagueness is nothing new to this government, Mr. Speaker. We know from the hearings of the various committees that this is probably the most inept government in the history of Canada so far as the drafting of legislation is concerned. Thank God there is an opposition around to keep it on the straight and narrow. I should like to ask the Minister of Finance, who surely has some knowledge of business, who will determine the fair value of the four corporations that are to be purchased. I refer to Polymer Corporation Limited, Eldorado Nuclear Limited, Panarctic Oils Limited and Northern Transportation Company Limited. Are these conglomerates to become one entity when the CDC is in being? Who will sell these companies? I presume the government will sell them to the CDC. Who will determine the fair value of these companies and on what will the fair value be based? Will it be based on the performance record? Will it be based on earnings or potential earnings? What criteria is to be used when these companies are sold to the CDC? Will the price be so low that it will be embarrassing or will it be so high that profit will be impossible?

The minister says he is delighted to introduce this kind of a measure because, after all, it will give the Canadian people an opportunity to own shares in the CDC and in these companies. Does the minister not realize that now, although the people of Canada do not actually own the shares in these companies, they actually own the companies through their government. If the minister is right in saying the CDC is profit-oriented, I wish him the best of luck in this endeavour. He says the CDC will not be a Crown corporation responsible to Parliament but will be a private corporation operating basically within the provisions of the Canada Corporations Act; but, because it is created by an act of Parliament any change in the capital structure, objects and powers of the corporation passed by the directors and shareholders will require approval by a resolution passed by both Houses of Parliament. Mr. Speaker, I ask who will exercise any degree of control over this corporation? Will it be the Minister of Finance or the Deputy Minister of Finance who will exercise majority control over this corporation?

Then, it is stated that, in addition to its broad powers of direct investment and participation in joint action with other Canadian investors, the CDC will be empowered to lend to other companies, guarantee their contracts and assist them in other ways. What does this mean? Carling's Brewery in Edmonton has found that the market has suffered a severe slump, as has been the case in almost every other market in recent months. They have found that Albertans do not drink as much beer as they should and their profits are down. Could they go to the CDC to borrow money and acquire assistance? Is this what the minister envisages? I do not know. I cannot quite understand it. At a time of unemployment and at a time when inflation is rampant, the government gives the impression of being concerned about the economic development of our country through the CDC. I am not certain it is an instrument of development. I should like to ask the Minister of Finance, who is a very dear friend of mine, whether he would agree with me on this point. I do not argue that it may not be in the government's best interest to create a corporation that would be in charge of the four companies to which I alluded earlier, but when we discuss the need for the private sector to gain access to risk capital, I should like to remind the minister that on the Prairies in particular when money is required for wildcat ventures—and the parliamentary secretary knows precisely to what I am referring—Canadians participate to a lesser extent than United States investors?

• (3:40 p.m.)

In this connection I could refer specifically to the various professions. It is odd that in Canada doctors, lawyers, engineers and wealthy businessmen would rather put their money into apartment houses, and thus be able to write off certain earnings, than put that money into risk ventures for the development of our natural resources. I suggest that the answer is very simple. If the minister changed the Canadian tax structure to allow the Canadian investor taking part in risk ventures the opportunity to write off certain losses over a given period of years there would be some incentive for such investment. If an investor who happened to make a bundle on a wildcat venture were taxed appropriately, and there is nothing wrong with that, that also would encourage risk investment. But it seems strange to me that the U.S. professional and businessman is more interested in gambling his capital in the resource development of western Can-

ada than is the Canadian himself who really has an interest in that sort of development.

I say to the Minister of Finance in all sincerity that what he envisages for the CDC will ultimately turn out to be a bad dream. I think the direction in which we should be going at this point is to overhaul the tax structure as it is today.

Mr. Stan Schumacher (Palliser): The issues raised by the proposed establishment of a Canada Development Corporation are significant. Therefore, this matter should be examined in detail by this House and by the Committee on Finance, Trade and Economic Affairs. In doing so, a complete survey should be made of the results of development corporations and their activities in other countries. It seems that we have a great penchant in Canada for adopting methods, procedures and policies that have proven to be not too successful in their lands of origin. We do not seem to learn from the experience of those countries.

It is important to be clear about the objectives of the suggested Canada Development Corporation. Although the absence of details makes appraisal dependent to a certain extent on inferences, it has been intimated that the CDC would primarily assist in the development of major projects in Canada and that it would seek to reduce foreign takeovers of Canadian enterprises. These objectives make all our hearts beat a little faster. Who could disapprove of the development of major projects by Canadians or the preservation of Canadian control of our industry? A development corporation can, of course, finance projects or curtail foreign ownership. An analysis of the costs involved and the consequences of this type of institution would demonstrate that this so-called solution may be self-defeating. Any projects that are economically viable would stand on their own feet, without government assistance.

I suggest that if the CDC were in evidence last fall, there would have been tremendous pressure on the government of Canada to take over Ryerson Press, pressures that probably would have proved irresistible. In considering this question I think it is well to reflect upon what the Secretary of State (Mr. Pelletier) and Information Canada could do with such an organization as Ryerson Press if it were under their control. I suggest that there would be a measure of control by the government of Canada if such an organization formed part of the holdings of CDC or anything like it.

The function of government is to give constructive help, in co-operation with the private sector, when a decision has been taken. Claims have been made that there is a large institutional gap in our capital market. What evidence is there for this assertion? One can think of all sorts of companies that have started from scratch in Canada recently, or alternatively large companies that have made substantial distributions of equity in Canada. We can think of the examples of Oshawa Wholesale, Couvrette, Alliance and the Bell Telephone Company.

But if this is so, it must also be admitted that there are large pools of capital lying around in savings accounts and certificates. The function of the government should be to encourage the flow of these savings into active equity capital for the development of this country by Canadians. It could take positive steps such as giving a distinct tax advantage to Canadians for such investment instead of having them equal to or at a disadvantage in comparison with foreign investors. The government could also take steps to encourage provinces to reform their securities legislation for the protection of investors because, quite frankly, a great many people are frightened of the market, and I believe they are frightened with some cause. I would suggest also that if the provinces fail to co-operate in the enactment of uniform legislation, then consideration should be given to putting investor protection under federal jurisdiction.

As an answer to the problem of foreign ownership in Canada, a development corporation is a poor remedy. The free movement of capital, both across frontiers and domestically, should not be hindered by any government sponsored pool of capital. The Minister of Finance is confident that competent management would not make unrealistic bids to counter offers from foreign sources. For a foreign operating company with world wide outlets and unused plant facilities, the benefits of an amalgamation could justify a far higher price than any development corporation should pay. For instance, what would the CDC do with a national beer company?

The advantages of a Canadian outlet to a United States company are evident in that duplicate facilities are closed down and the production and sales forces are combined. Similarly, U.S. automobile manufacturers would have an incentive to acquire automobile parts companies in Canada, since parts used by the manufacturers of new cars can be moved across the borders duty free. It is difficult to see what a development corporation could do to check foreign ownership in most cases, apart from making an unrealistically high bid.

To counterbalance the objectionable consequences of foreign capital, legislation against the specific wrongs is the proper procedure. Whether it be Canadian dissatisfaction with the inadequate openings for Canadian talent, the lack of opportunity to participate in the processing of raw materials, the failure to compete in export markets, or merely inadequate adjustment to Canadian cultural patterns, it should manifest itself in specific legislation requiring foreign capital to conform to our requirements. By virtue of a favourable tax ruling, Rio Algom for example, was able to take over Atlas Steel advantageously. If the ruling had been changed either by a different interpretation or by legislation, this take over could have been thwarted.

If the Canadian Development Corporation were to develop major resources projects without outside participation, as has been suggested, in many cases sales outlets would be lacking. For example, United States or Japanese steel companies usually prefer to own their own raw material sources in order to ensure adequate supplies and also to participate in the profits of their own purchases, both being classical reasons for vertical integration. If Canada denied these opportunities to foreign steel companies, other nations would be more hospitable and as a nation we would be the losers.

• (3:50 p.m.)

In general, it is difficult to see how a Canada Development Corporation would invest its funds. Private pools of capital like the CED have not been able to invest all their available funds as it is. Even the Quebec General Investment Fund was not fully invested several years after it was started, and it is a relatively small fund, only a fraction of the size of the proposed CDC. Its dismal record augurs poorly for a Canada Development Corporation.

The Minister of Finance claims that the staff of a development corporation could be relatively immune from political intervention. There is almost no case of a government agency being able to withstand pressure from political sources. Even if the operating personnel were independent of day-to-day direction, the reality of government parentage would be an omnipresent fact. All but the most neurotic recognize and are influenced by their progenitors! A Canada Development Corporation would realize that if it incurred the displeasure of too many Members of Parliament or voters it would be abolished, something that is not true of most private enterprises. If a Canadian Development Corporation bought a large share in a foreign corporation with large operations in Canada in order to influence the Canadian operations, could one really trust the management to make decisions based on economic merit alone? It does not take a cynic to believe that the answer is a resounding no.

No reference has been made to Quebec, yet Quebec is one third of Canada and has already given notice that it wants to control new developments if possible. If the CDC performed managerial or entrepreneurial functions in addition to supplying capital the competent staff, which the Minister of Finance urges, would be spread over such a vast area of activities that supervision and detailed scrutiny could become a nightmare.

Reference has been made to our present emasculated form of equity ownership. Surely, all ownership in large corporations by outside shareholders must be at a distance unless that outside source sets itself up to be an expert and uses its position to get a seat on the board and dictate and change policy. Is this what the Canada Development Corporation will do? Will it be an expert in the mining, the pulp and paper, the utility and the oil business? Other countries, including the United Kingdom, have experimented with development corporations. We should remember the abortive groundnut scheme in Africa, which was promoted by a former British Labour government.

A few of the problems encountered by other development corporations of other countries can be summarized under a few general headings, the first of which is financing economically unsound enterprises. Social and political considerations frequently motivate development corporations. For example, the Chilean Development Corporation built steel mills that have proved to be high-cost and economically inefficient in Chile, and whose products have been unable to hurdle tariff barriers, particularly the 40 per cent Argentine surcharge on steel. In South Africa, the Industrial Corporation was established to build an iron and steel complex, as well as facilities for obtaining oil from coal for strategic and military purposes. By that government's own admission, the government project displaced private investment and therefore negated its achievements.

Secondly, there is the question of inflation. Development corporations have built-in inflationary potential. Although funds may be supplied by individuals or private institutions, additional capital is often provided by the central bank or from foreign sources. When funds from private sources have not been forthcoming all too frequently development corporations have resorted to borrowing and rediscounting at the central bank, Also, once a program is under way its termination is difficult for political reasons.

The third problem is the displacement of private initiative and private capital. By their existence, development corporations absorb funds from abroad that would normally flow to private industry. Funds obtained from private domestic sources may be absorbed by the government development corporations, whereas under normal circumstances funds might seek their own investment outlets.

Fourth is the problem of excessive government control. In various countries development corporations have appointed directors to boards of businesses where their funds are invested. The IRI in Italy and the National Financiers of Mexico appoint directors of many companies. In general there could be a tendency to ignore the free forces of business in favour of political opportunism. For example, would the government permit the closing down of an unprofitable organization if thereby many people would lose their jobs?

The scope of action of the development corporation may become very wide, as in Burma where the initial step of the government in the 1950's was to set up a joint venture corporation of government and private businessmen. Most of Burma's imports then were bought by government organizations and the choice of suppliers was dictated by national agencies. In an attempt to diversify this economy by encouraging manufacturing, the government pursued a policy of state enterprise.

The fifth problem is that large enterprises may be favoured by the establishment of the Canada Development Corporation. In general, the special problems and risks of small enterprise financing have been a restraining factor. The careful investigation and supervision which this kind of financing necessitates makes it expensive. The number and variety of staff required to sift applications has meant that the large scale enterprises have often been the main beneficiaries of these development facilities, whereas the deserving small company has been neglected. The most successful government corporations in the economically advanced countries have been limited to specific and narrow areas of economic activity such as the transportation system, mortgages, or other credit institutions. Too frequently development corporations have very broad objectives which are difficult to accomplish.

The government should provide proper fiscal and monetary conditions for sound economic growth, combined with specific legislation to correct specific abuses that undoubtedly do occur. The CDC fails to come to grips with the problem of capital formation in Canada. Capital formation and development are the result of the savings process. Development corporations should be recognized as the reactionary and unworkable solutions that they are.

Mr. Deputy Speaker: The question is on the amendment. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Deputy Speaker: Negatived on division.

Amendment (Mr. Baldwin) negatived on division.

Mr. Deputy Speaker: The question is now on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Mr. Deputy Speaker: Adopted on division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

• (4:00 p.m.)

INCOME TAX ACT

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill C-225, to amend the Income Tax Act and to amend an act to amend that act, be read the second time and referred to a Committee of the Whole.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): As the House is aware, Mr. Speaker, the purpose of this bill is to implement two measures involving income tax changes of the several outlined in the budget that was brought down by the Minister of Finance (Mr. Benson) on December 3. One section of the bill will amend the Income Tax Act to make available a capital cost allowance supplement to manufacturing and processing industries. The other section of the bill will amend Chapter 38 of the Statutes of Canada 1967-68 to provide for an extension of the income surtax on individuals and corporations from the end of 1970 to the end of 1971.

To encourage increased capital investment in manufacturing and processing, which recently has been relatively weak, the bill provides that those engaged in such businesses may claim capital cost allowance for 115 per cent of the actual cost of machinery, equipment and structures acquired between December 4, 1970, and March 31, 1972. The effect of this measure is to enable a qualifying taxpayer to claim capital cost allowance over a period of years of $115 for every $100 of actual capital investment put in place, an increase of $15 over the amount that normally could be written off against earnings.

It is estimated that manufacturing and processing enterprises undertake some $3 billion worth of capital investment annually that would qualify for this special allowance. Investment of this order therefore, would enable these enterprises to claim an extra capital allowance over the depreciable lifetime of assets put in place within the period up to March, 1972, of around $450 million. While the cost to the treasury of this measure is estimated at $25 million for the 1971-72 fiscal year, the cumulative capital cost allowance benefits being provided to manufacturing and processing businesses over a period of years will provide a significant stimulus to increased investment in these two sectors over the next several months.

I might mention that the definition of a manufacturing or processing business and the description of assets qualifying for the supplementary allowance will be contained in regulations to be adopted soon after approval of the legislation. It is proposed, however, that the definition of a qualifying business would be very similar to that now found in class 19 of the Income Tax Regulations, while the property that would qualify would be buildings as described in class 3 or 6 and machinery and equipment that is normally included in class 8 of schedule B of the same regulations.

The second section of the bill before the House extends for a further year the 3 per cent surtax on personal and corporate income. Members will recall that this surtax on individuals does not apply to the first $200 of basic tax, with the result that more than 25 per cent of Canadian taxpayers will continue to be exempted from payment of the additional levy. No surtax is paid by a single person whose income is below $2,743, nor by a married man with two children whose income is below $4,343.

I would be less than frank, Mr. Speaker, if I did not acknowledge that the decision reluctantly reached by the government to extend the surtax to the end of 1971 was a source of disappointment to many taxpayers. It was also a source of some criticism, frequently from those who were unaware of or did not understand the considerations which led the government to the conclusion that this was the best course to follow in the long term interests of the nation as a whole.

In his budget speech, the Minister of Finance made it clear that the government reached the conclusion late last year that it was appropriate to provide an additional stimulus to the economy in order to reinforce the series of expansionary fiscal and monetary measures adopted since the early months of 1970.

Having reached that conclusion, the government was faced with the need to reach a decision on two important questions. It had to decide how much additional stimulus could safely be injected into the economy without running an excessive risk of creating new inflationary pressures in the months ahead. Then it had to decide what form this additional stimulus should take in order to provide the maximum possible assistance in the shortest possible time to individuals, regions and industries in Canada most adversely affected by slow growth of the economy.

In reaching a judgment on the first question, the government had to consider how far it could go in creating additional fiscal stimulus by adding to its cash requirements without imposing dangerous pressures on Canada's monetary system. As the Minister of Finance noted in his budget speech:

> There are limits to the extent to which the banks can be encouraged to increase their holdings of government securities without running the very serious risk that the expansion and increased liquidity of the banking system will trigger inflation and expectations of inflation.

This very fundamental point was also underlined by the Economic Council of Canada in its most recent review of the economy. "Monetary policy (together with fiscal policy with which it is closely interrelated)," the council emphasized, "should evolve in a way that seeks to avoid large destabilizing swings in the growth of the money supply." Even the Leader of the Opposition (Mr. Stanfield) appeared to recognize that there are some very real limits on the extent to which the government can reasonably expand fiscal policy when he noted during the budget debate that the government faced "a substantial and increasing budgetary deficit" as a result of the expansionary policies which it has adopted. That recognition, however, has not deterred either the Conservative leader or other members opposite from advocating measures that would enlarge the budgetary deficit and the government's cash requirements in a massive way.

In his budget speech, the Minister of Finance estimated the government would have cash requirements during the current fiscal year of around $1.57 billion, excluding those for foreign exchange reserves. This represents a massive swing of more than $1.7 billion from the position in 1969-70 and is a measure of the very large stimulus injected into the economy in the current fiscal year by the government. For 1971-72, the minister estimated the government's cash requirements would rise to $1.9 billion, matching the record peacetime level of 1968-69 and representing a swing of more than $2.1 billion from the level in the last fiscal year.

The second question facing the government was whether additional stimulus of this degree should be provided through increased spending and lending, through a decrease in taxes, or a combination of the two. There have been suggestions from some quarters that the government decided against allowing the surtax to expire and perhaps further reducing taxes as well because of a mistaken belief that reducing taxes would be inflationary. Nothing could be further from the truth, Mr. Speaker.

The fact is, as the Minister of Finance indicated in his budget, that the government concluded it would be considerably more appropriate in the economic circumstances facing the nation to adopt increased spending and lending programs aimed at providing early and direct assistance and support to individuals, regions and industries most in need of it, rather than to provide additional stimulus by means of a tax cut that would provide greatest benefit to the more prosperous sectors of the economy.

It should be pointed out, however, that while these selective measures will have their most immediate and direct impact on the economically weaker sector of the economy, they will also provide a stimulus to the economy as a whole by reinforcing the upward thrust being provided by the parallel expansion of monetary policy that has been under way since early in 1970.

The special capital cost allowance supplement being provided in the bill now before the House for capital investment undertaken by manufacturing and processing industries is one of those selective measures adopted by the government to provide a significant boost to a sector of the economy that has been particularly slack recently.

The decision to propose extension of the income surtax to the end of the current year, which is provided for in the second section of the bill, was reached by the government with considerable reluctance but with the strong conviction that such action was necessary in the best interests of the nation as a whole.

• (4:10 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this particular part of the extended budget debate appears to be anticlimatic in that it is almost three months since the Minister of Finance (Mr. Benson) delivered his budget message and indicated that there would be these two tax changes. I find it rather strange, looking at the continuation of the surtax which, of course, had a very dubious parentage. It was a misconception to start with and eventually a miscarriage.

It was finally brought in at the three per cent level. We have seen it extended, although we find singularly regrettable the words of the parliamentary secretary and the Minister of Finance that they were beginning their monetary expansion policy early in 1970. It is true that in the June or late May budget, they dropped the idea of a three per cent sales tax. I suppose it was anticipated at that time that the changes in the white paper on taxation would have been reported upon and brought into this House, allowing the government to bring in the tax changes and incorporate the three per cent surcharge into the ordinary tax rate. This was fully the intention of the government.

In June the Minister of Finance indicated that he was going to allow the surcharge to die as of December 31, as it was not being renewed in the June budget. We also know it had been the intention not to present a budget, until the very last moment, for other than fiscal and monetary reasons, a budget was presented in order to sweeten the pot. It was a very feeble gesture because it was all promises for the future, not for this winter, arising out of the troubles of last autumn. That is what it was. Let's call a spade a spade.

The budget was one of the government's ways of reacting to the October crisis in the province of Quebec. It was also its belated recognition of the problem of unemployment, particularly in the Atlantic region and the province of Quebec. After all, the budget did not do anything for the other provinces. The parliamentary secretary shakes his head and purses his lips. The loan fund of $150 million or $160 million is supposed to be the anchor of this budget. It provides precisely $1.6 million for the entire province of Alberta for the end of fiscal 1970-71. Why, a spit in the ocean would do more than that to deal with the problem.

Many of the other things that are going to happen will only happen in the spring or after March 31. They may happen during May or June. If this was supposed to be a budget to alleviate winter unemployment across Canada, I say it was a complete and utter hoax. That is why it was so empty. The Minister of Finance can always use an extra couple of hundred million dollars. This government operates on the basis that you have to raise the money because you have the expenditures. Expenditures are already going up to approximately $15 billion. The government always taxes up to its expenditures.

If the government wanted to be careful in their expenditures in many sectors, there would not be this necessity for ever increasing demands upon the economy, far in excess of what the economy can stand. The sins are not entirely those of this particular administration, although the ministry must share the responsibility because most of them were members of the previous ministry which embarked upon programs which went beyond any rhyme or reason when measured against the economy.

If one had to put a cost benefit analysis on the economy and the spending programs, the programs would have been out the window long before this. But, no, it seemed to be politically expedient to establish certain programs and to blazes with the expense and damn the torpedoes. There they are. We are now receiving the bills. These are getting higher and higher all the time.

I wish to deal with the two particular items of this bill. They epitomize, in actual fact, the schizophrenia of the government when it comes to its monetary and fiscal policies. On the monetary side, we are told that the government is increasing the pace of the relaxation of restrictions to get the economy moving again. There were certain changes with regard to monetary policy starting in the spring. But of all the stupid things, that had to be the one. Even more paradoxical, in the June budget there were to be some retail sales credit restrictions which, of course, were never implemented because somebody finally saw the light. I do not know who it was, but they were proven to be extremely obtuse about these matters and insisted even into July that the regulations were being formulated. Then, of course, came the dawn. Unemployment was very serious. The government decided to drop the retail sales credit restrictions. This was one of the gestures given to the country. It would never have worked, and would only have increased unemployment.

It is remarkable as to how this surtax has changed over the past three years. It was imposed at the time of the monetary crisis in 1967-68. It was to be a dampener on the economy. It was renewed in 1969 because inflation was very pressing. The surtax had to be continued and extended to the end of 1970. In December, 1970, when employment was the number one problem and, to use the words of the Prime Minister (Mr. Trudeau), inflation had been licked, we were asked to continue the three per cent surtax. What is it now? Is it anti-inflationary? Inflation was supposed to have been beaten and controlled. Now, it is incorporated into the normal tax framework and will continue to be part of the anticipated revenues to be raised by the government. In other words, it is no longer a surtax; it becomes part and parcel of the normal tax structure. Moreover, the fact is that it is inflationary rather than anti-inflationary. The imposition of a surtax of this kind in a day and age when tax is deducted at source from the majority of working people means simply that in the next round of wage increases the cost of the surcharge is passed on to the employer. It is the take-home pay that counts. As far as the three per cent surcharge on corporate incomes is concerned, it is soon fed through the price structure back to the consumer. I would have thought this was so apparent to everyone that the government would have refused to resort to such a device. As a matter of fact, the government has been fighting inflation with the wrong weapons for far too long. As a result, we find ourselves in a serious depression.

• (4:20 p.m.)

By what means does the government intend to combat the recession? Not with a really expansionary budget. The one feature which the minister produced with regard to income tax changes involved a 15 per cent premium or bonus in connection with capital cost allowances. This looks very well on paper but it is difficult to foretell the result or the cost to the economy. Actually, this concession will cost the government nothing. As a result of the expansion which will be made in anticipation of this 15 per cent allowance, there will be increases in receipts from sales tax and additional benefits accruing to the treasury. So, on a net basis any loss will be more than made up by additional tax revenue from various sources. As I say, it is difficult to estimate what the total cost will be. Nevertheless, this is the type of tax incentive of which I tend to approve. All I can say is that on the basis of what we know today it is difficult to understand precisely the type of expenditure to which this concession will apply. Some elaboration will be required on the part of the parliamentary secretary when he replies.

What will the regulations specify? If the definition of prescribed property is too restricted, the benefits to taxpayers will obviously be extremely narrow. On the other hand, if reasonable latitude is allowed, greater benefit will result. I am interested in the case of a man who invests in a new factory, or establishes a new business, and in doing so takes over a new building which has been used for another purpose at one time. Very often buildings acquired in this way are not considered to be old buildings; they have been acquired to facilitate business expansion or the establishment of a new business. Unfortunately, the amendment reads: "acquire prescribed property which has not been used for any purpose whatsoever before it was acquired by him". Surely, property, whether buildings or land, may have been used for some purpose before its acquisition? I want an explanation of this. The answer might change my opinion as to the value of this provision in the budget. If the wording is interpreted in a narrow sense the concession would be of much lesser value, but if it is interpreted generously some real benefit might follow. It is conceivable the minister will come to us in his next budget to extend the benefit of this provision for a further year.

With respect to the three per cent surcharge, let us consider just what it is likely to cost the economy. As the parliamentary secretary said, the surtax is three per cent of an individual's basic tax in excess of $200. The tax falls on about 75 per cent of Canada's taxpayers. Specifically, single persons without dependants pay this surtax only if their income exceeds $2,740. This works out to $225 a month or, maybe, $228 a month, and there are not too many people in this country, except part-time workers, who earn less than $228 a month.

As far as the economy is concerned, it is estimated that in the calendar year 1971, provided the minister has made the right calculation with regard to the number of people employed in this country, the revenue from the surtax will amount to $178 million, which includes $23 million for the last three months of the fiscal year 1970-71, in other words, the three months ended March 31, next, and $155 million for the balance of the year. I suspect, though, that the minister has overestimated the yield of this surtax because, according to my book, there will be more unemployment during the next six months than he has bargained for, and we know that corporate profits will amount to even less than was anticipated. However, perhaps when addressing us in the House the hon. gentleman has been engaging in a colossal bluff in his enthusiasm for what he considers to be the recovery of the economy.

With respect to revenue from corporations, this is estimated to be $67 million in the calendar year 1971, including $12 million for the last three months of the fiscal year 1970-71. We have from the beginning, right from 1968, objected to this surtax. Every time it has appeared in a budget we have opposed it and made specific reference to it in our motions of non-confidence, as we did last summer and, again, in December, 1970. One of the things that the Leader of the Opposition indicated the government should have done, and even should do now, is to drop the 3 per cent surcharge. As a result of the tax change proposals made by the Leader of the Opposition, by myself and by other members of this party to stimulate the economy, the ordinary tax structure would make up any loss or deficit incurred by the government, or would certainly minimize that loss to a greater extent than the government admits. In other words, if the economy were promptly regeared to a higher level of activity, and with the present level of consumption taxes and other taxes that the government has within its tax framework, we would be better off all round.

• (4:30 p.m.)

Having said that, I must say the budget does very little to restore confidence in the economy. What the public sector offers in the budget in the way of leading the economy back on the road to recovery is minimal; all there is is the bonus on capital cost allowance to give the private sectors some encouragement. The budget should really have restored economic confidence. The problem today is that there is a crisis of confidence in our economy. I am not going to speak about the unsettled state of certain industries, particularly export industries, as a result of the unpegged value of the dollar. Although I will not say that certain industries are bleeding, they are down on their knees and almost out as a result of the inconsiderate anti-inflationary measures taken by the government in the past, such as the acceleration of the Kennedy round cuts and the way the heavy chemical industry has been affected.

Although the minister was warned at the beginning that this would cause him and the country some problems, the Minister of Finance and his officials blindly went ahead and hit industry after industry. People in major industries in this country who have been working for the same concern for 15 or 20 years, concerns that were established at the cost of hundreds of millions of dollars, are being laid off by the hundreds. Firms are closing whole divisions. Plants are barely geared up for full-fledged production, and we are being told that they are going to be phased out. In view of the present economic conditions in this country, the state of present markets, the unpegged Canadian dollar abroad, uncertainty caused by the government white paper on taxation, the expenditure of even one more dollar of capital investment in these sectors cannot be justified.

Are we going to tell these investors that this sort of thing is good for them; that they should have sharpened their pencils? I remember that phraseology used by the minister, by the Minister of Industry, Trade and Commerce (Mr. Pepin) and departmental officials in regard to the accelerated competition that was supposed to bring benefits to Canada. These industries were going to have to sharpen their pencils. But what has happened? The pencils have been sharpened so much they have become worn out; industries are closing and people are being put out of work.

What is the government going to do with the Ph.D. level researchers, people with university degrees who are the backbone of the university work force of this country

in many sectors? If they are not on the street, they are facing that prospect. Our industry is not big enough to transfer 300 people working in heavy chemicals in Edmonton and at Two Hills, Alberta, to Beauharnois or Shawinigan, because they are facing the same problems as well. The answer given by the Minister of Regional Economic Expansion (Mr. Marchand) the other day that the retraining programs, and so forth, of the manpower minister might provide a solution to the problem of these people was a fatuous one.

Mr. Greene: Shame.

Mr. Lambert (Edmonton West): It was purely and utterly fatuous. Having said that the negative aspects of the surcharge far outweigh the potential benefits of the capital cost allowance bonuses that this particular bill following upon the budget is incorporating into the income tax structure, I conclude my remarks at this stage of the bill by saying that we intend to oppose second reading.

Mr. John Burton (Regina East): Mr. Speaker, as I understand the provisions of the bill now before the House, the loss of revenue to the government as a result of provisions in one portion of the bill will be roughly equal to the gain in revenue achieved by the application of provisions in another portion of the bill. This brings to my mind the Biblical quotation: "The Lord giveth and the Lord taketh away. Blessed be the name of the Lord". I suppose the 1971 version of this Biblical quotation might be: "The minister giveth and the minister taketh away. Blessed be the name of the Prime Minister".

Some hon. Members: Hear, hear!

Mr. Burton: If hon. members are happy with that, that is fine.

This bill extends the application of the 3 per cent surcharge on income tax. The relevant section of the act will now read as follows:

> This section is applicable to taxation years commencing or ending in or coinciding with 1968, 1969, 1970 or 1971—

It is almost beginning to read like a litany. This is now the third time we have had this surtax extended or reintroduced in the House of Commons.

To my mind, nothing can better illustrate the Liberal record of fiscal bungling and mismanagement than the story involved in this bill and the history of this particular tax measure. It seems that the Minister of Finance (Mr. Benson) is a man who can use an argument to suit every occasion. When I was preparing for this debate I had occasion to take a look at what the minister said in 1969, at which time he made it very clear that the government was not introducing the bill for purposes of revenue. At that time, the bill extended this particular surtax into 1969 and 1970, the measure having first been announced in the budget speech on June 3. The minister, however, did not get around to introducing the measure until some time late in the fall, and it was debated in December 1969. When the minister announced the extension of this surtax on June 3, he said it would be clear to everybody that an extension of the surtax at that time was required for the purpose of economic stabilization and not for budgetary revenues.

• (4:40 p.m.)

By the time the minister got around to introducing the bill in the House of Commons the situation had changed. In June of 1969 when the minister first announced the institution of the surtax he pointed out that there were a number of factors which led the government to make this decision. He said the economy had demonstrated a strong performance at that time and that prices were continuing to climb. He said there were strong international pressures. By the time the minister introduced the bill, that situation no longer prevailed. In any event he barrelled straight ahead with the institution of a surtax, regardless of the fact that he was dealing with a different situation, and applied the measure announced in the middle of 1969.

This time the minister has a different reason for continuing the surtax. He made it quite clear in his budget address of December 3, 1970, that cash requirements represented the basic reason for extending the surtax. He said that in adopting this policy the government had decided that this would add greatly to its cash position. He went on to deal with a number of factors, one of which was the pressure for extra cash, which led the government to decide to extend the surtax into 1971. Who pays for this? Of course, the Canadian taxpayer must pay.

We have heard the Minister of Finance make other statements in the House dealing with this particular matter which are contrary and conflicting. I think for a moment we should refer again to the budget speech delivered on the night of December 3 last. At that time, the Minister of Finance was presenting a financial statement to the House of Commons. There were expectations that he would provide some stimulus to the Canadian economy. Unfortunately, there was nothing of the sort. I suggest that the best stimulus the minister could have provided to the economy at that time was a tax cut. This should have included a provision whereby this surtax would have been allowed to lapse at the end of 1970 rather than, as envisaged by the present legislation, being extended throughout 1971.

I want to make it clear that we in the NDP feel that further relief is needed through a tax credit system. This would assist our economy. I find it very difficult to understand why the minister did not respond to the situation that existed in December. It was perfectly clear then, to anyone who was prepared to analyze the situation and see what was ahead of us, that we were approaching a period of depression or recession, whatever you like to call it. Our unemployment rate was increasing at a terrible pace. Every indication was that the recovery of our economy would be very slow in 1971, and that in the meantime there would be no appreciable pick-up in economic activity. It was apparent from the early part of 1971 that there would be a relatively slow increase in he economic activity. This was the projection at that time.

There has been nothing to indicate there has been any change in the situation.

The minister stated in his remarks that anyone with an income of less than $2,743 would not be affected by the extension of this surtax. Of course, this is correct. I am sure there will be a greater number of people than in previous years who will not be affected by this extension of the surtax because of the unemployment situation. I am sure that a great many of the 668,000 people, who were reported to be out of work in the middle of January, will not have any worry about the extension of this surtax, because their incomes will be reduced as a result of the slowdown of economic activity.

It is difficult to understand why the government, which is responsible for the over-all direction and management of the economy of this nation, did not provide greater stimulus. The answer can only be found when we consider the points raised on a number of occasions by many members of this House regarding the government's policy in respect of taxation. The government is looking at a different sort of schedule, one which does not involve merely an improvement in the rate of economic activity in 1971. There is something else involved. I suggest that "something else" is an election schedule, and the events leading up to the government's plan for an election.

There is no doubt that the government is planning for an election in mid-1972. I am sure there are many who feel that if we allow the economy to pick up too quickly in 1971,—by the time we reach the middle of 1972, people will not remember this unemployment situation. Thus, it is much better to stall off for a good portion of 1971, allowing the economic pick-up to take place toward the end of this year. According to this sort of reasoning, by the middle of 1972 the Canadian economy will be rolling fine, and things will be in good shape for the Liberal party to call a federal election. I suggest that a tax cut announced in the budget of December 3 would have been a real stimulus to the Canadian economy. It would have been of great help and might have had some beneficial effect on the rate of unemployment we are experiencing at this present moment. The government chose to do otherwise.

I should like to turn back for a few minutes to review some of the sordid history of this surtax, which really is very strange and unusual. As the hon. member for Edmonton West (Mr. Lambert) pointed out, it was on November 30, 1967 that the then Minister of Finance, who is now the Secretary of State for External Affairs (Mr. Sharp) announced this tax in his budget statement:

> I come now to my tax proposals. My first proposal relates to the personal income tax. I am asking the house to approve a special surtax of 5 per cent of the amount of the basic tax assessed on an individual in excess of $100. This surtax will take effect January 1st and would remain I expect until we have completed the transition to a slower rate of growth of expenditures or until economic and financial conditions call for a change in our fiscal policy.

That was the statement in which the then Minister of Finance announced this particular measure. The resolution was introduced in the House of Commons on December 14, 1967, and the bill was introduced on February 6, 1968. It came up for second reading, at which time the then Minister of Finance made certain remarks. Then, something happened. I am sure this must still make hon. members on the government side of the House shudder. On February 19, 1968, the government bill was defeated by a vote of 84 to 82. This was a clear indication of a lack of confidence in the government. Nevertheless, the government managed to survive this situation.

• (4:50 p.m.)

They must have had some second thoughts because it was announced that the then Prime Minister, Mr. Pearson, was to retire and that a Liberal Leadership Convention would be held. I am sure at that time the Liberals must have thought that after the leadership convention they would want to hold an election, and that it would be much better to have a different type of tax measure before the House of Commons than that which had been first proposed and defeated in the House. So, finally a new bill was presented on March 7, 1968 which was not quite as bad as the original measure. However, it ran into some procedural difficulty and another bill was introduced on March 12, 1968. At that time the Prime Minister, Mr. Pearson, made a very lengthy speech in which he defended the government's record and pointed to the necessity for fiscal restraint. He used this as a defence in respect of introducing the surtax at that time. He went on to quote various authorities to back up his statement that this measure was needed in the interests of fiscal restraint and because of the necessity to slow down the economy.

What is the situation now? I think this was pointed out by the hon. member for Edmonton East (Mr. Skoreyko). Are we dealing with an inflationary situation? Is there no need to stimulate the economy and encourage economic activity? Are the government's policies adequate to deal with the present level of unemployment? I suggest the government's economic policies have been found to be totally lacking. This was pointed out to the government this week when the Canadian Labour Congress presented its brief to the federal cabinet. There were some pretty strong words used by the Canadian Labour Congress in its brief, and rightly so. I notice the parliamentary secretary smiles when I refer to this particular brief. I do not think some of the government's ministers were smiling when they listened to the words used by the Canadian Labour Congress, because that organization was speaking on behalf of many of the 668,000 people who are out of work, according to the January statistics. That figure probably is higher now.

In its brief, the CLC stated:

> What disturbs us, and many others, is that our current unemployment problem has been artificially created. It is not the result of natural business recessionary conditions. It is the direct result of coldly-calculated policies whose sole object was to induce unemployment in order to combat inflation. Your government's anti-inflationary program, based for a long time on very tight fiscal and monetary policies, has been primarily responsible for the fact that we have hundreds of thousands of unemployed Canadians. Your government's strict adherence to "conventional economic wisdom" in attempting to deal with an

inflationary situation which was largely external in its origins, is perhaps the most incredible phenomenon we have yet seen on the economic front in Canada.

Then, the brief stated further:

Never before in the history of this country did a Prime Minister state before a national audience that it was his government's intent to allow unemployment to rise "if necessary to 6 per cent", to combat inflation. Never before did any federal government knowingly, consciously, and with a cool detached deliberation sentence hundreds of thousands of Canadian workers and their families to the hardships of unemployment. The brutality, the callousness, the studied indifference to the human consequences of this anti-inflationary approach were matched only by its ineptitude.

Certainly, those are very strong words. I suppose there might be a few members on the government side who would suggest that this is what might be expected from the Canadian Labour Congress because it is bound to be critical. I wish to point out to members on the government side that there have been other occasions when the Canadian Labour Congress has taken a much different approach in its presentations to the government. It has been very mild on some occasions and even complimentary in some of its presentations to the government. Not this year, and I suggest the government take careful note on this particular fact.

Now, Mr. Speaker, the other section of this bill, of course, deals with capital cost allowances. This matter has already been referred to in the introductory remarks of the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney), as well as by the hon. member for Edmonton West (Mr. Lambert). Of course, we know that in the manufacturing and processing industries owners of depreciable assets put in place between December 4, 1970 and March 31, 1972 will be able to write-off 115 per cent of the original cost according to the government's proposal.

The government, through this measure, intends to stimulate private investment and the economy. There are three different approaches to illustrate the stimulating effect these proposals which have been advanced are planned to have on private investment. The first suggestion is that 7.5 per cent of the cost of the asset will be added to earnings over the depreciable life of the asset. Second, it could be viewed as a 6 per cent reduction in the effective cost of the machinery according to calculations by Clarkson Gordon. Third, it could be viewed as having the same effect as about a 3 per cent reduction in interest rates the first year. There are really two important consequences which arise out of this which should be noted. The first is that businessmen could accelerate their investment plans or proceed with investment plans that had previously been marginal, both in order to take advantage of the more generous allowance being proposed. Secondly, businessmen who had already made investment plans will receive a windfall gain.

When we attempt to evaluate the government's proposal to increase capital cost allowances, I think one must ask what economic goals the proposal is intended to achieve and how effective the proposal will be in achieving them. The budget address of the Minister of Finance on December 3 last purported to set down in a concise manner the economic strategy of the government for achieving our first economic objective, a steady and sustainable improvement in the real income of Canadians everywhere. Then, later on in the budget speech, the minister stated that a steady and sustainable improvement in the standard of living of all Canadians requires the fullest possible utilization of the nation's human and material resources. This really means full employment. In addition to full employment the speech indicates that economic stability, a good price and cost performance and a satisfactory balance of payments are necessary pre-conditions to the economic goals.

In his budget speech the Minister of Finance also stated that the latest figures on capital investment, apart from housing, are also stronger and that the recent preliminary survey of capital investment intentions indicates growing strength in this area of activity next year. Activity in this sector this year has been one of the weaker elements in the economy. Later on in the budget address the Minister of Finance noted that private capital investment has been one of the weaker elements in the investment picture, particularly investment in secondary industries. He went on to describe this measure as an example of selective fiscal policy since it applies only to the manufacturing and processing industry. The result, he predicts, will be new capital projects, a speed up in the outlays planned for the future, all leading to new jobs for a variety of skilled people in the labour force.

• (5:00 p.m.)

The DBS survey of capital spending intentions for the 200 largest companies in Canada indicates an 11 per cent increase in 1971. This survey of course was taken before the Minister of Finance presented his budget statement. However, the increases in the manufacturing sector are expected to be more moderate. The Economic Council of Canada, in its medium term capital investment survey, projects about a 9 per cent increase in 1971 for all industries, and some 6.2 per cent in the manufacturing sector. However, the subsectors of manufacturing show a wide diversity of intentions. For food and beverages, it is an increase of 1.2 per cent; for pulp and paper, a drop of 11.9 per cent; for primary metals, an increase of 40.8 per cent; for chemicals, an increase of only 11.4 per cent; for transportation equipment, a drop of 36.6 per cent; and for others, an increase of 15.7 per cent.

The figures for the subsectors of the manufacturing industry indicate that perhaps the capital cost allowance proposal was not selective enough. The primary metal industry, which already had planned a 40 per cent increase in capital expenditures, will receive a substantial windfall gain. The pulp and paper industry on the other hand, which has excess capacity and which brings the average investment intentions for manufacturing down, will probably not be taking advantage of the proposal. Where, on the one hand, the application of the increased capital cost allowance proposal may be too broad, the restriction on the type of expenditures that are eligible may be too narrow. Research and development expenditures, and expenditures on pollution abatement, are examples of the type of capital investment that

are not eligible in many respects. Since 11 per cent of the capital investment intentions of the pulp and paper firms surveyed were directed toward pollution abatement expenditures, how much of this would be new plant equipment which would qualify under this proposal?

A *Financial Post* survey of December 12, 1970 suggests that the immediate reaction of companies surveyed was not one of enthusiasm for the proposal. I would like to draw to the attention of hon. members an excerpt from an article in the *Financial Post* of December 12 which reads:

> Ottawa's policy makers are counting heavily on the budget's extra write off to spark new capital investment in 1971—but so far industry is reacting coolly to the incentive.
>
> Finance Department officials told *Financial Post* they expect that the rise in capital cost allowances to 115 per cent will have the biggest economic impact of the various measures proposed.
>
> Industry—to judge by an FP roundup of opinion this week—thinks the incentive will provide "only minor stimulus" to industrial expansion.
>
> That is the view of most makers of pulp and paper, food equipment, plastics, steel, computers and other products canvassed by FP. Only a few companies said Benson's proposal might have any effect on their expansion plans.

The *Financial Post* went on to note the regional implications of this proposal, which leave something to be desired. The article then continues:

> Those skeptical of the scheme's pull point out that Benson's proposal is not likely to be as powerful a stimulus as other measures in the 1960s, such as the U.S. 7 per cent investment tax credit or various fast write-offs made available by the 1962-64 budgets of Walter Gordon.
>
> What's more, it's claimed by critics, the value of the extra capital cost allowance will be obscured by continuation of the 3 per cent tax surcharge.

Later on the article points out some of the reasons this particular measure would not have the desired effect for those sectors of the economy in which it was desired to bring about expansion. The article reads:

> But design, land, purchase, and other preliminary activity would take about a year and a half. Construction could probably only be started when Benson's program was ending.
>
> Ironically, companies that had already made expansion decisions but had not yet received machinery or equipment, or taken possession of new buildings, will receive an unexpected windfall.
>
> Conversely, companies that make the decision to expand during the 16 months of the program, but leave it too late to take delivery before March 31, 1972, will lose out.
>
> This should mean, for most practical purposes, that management expansion decisions will have to be taken during the first half of 1971 in most cases in order to qualify. And that is exactly what Ottawa wants to see happen.

But of course, it was pointed out in the article that this is not likely to take place to nearly the extent that is anticipated by the Department of Finance. Thus we see that this measure will not have nearly the stimulating effect on the Canadian economy that the government has anticipated and that it had hoped for in making the announcement that it did on December 3.

I could call once again to the attention of the Minister of Finance an article in the *Monetary Times* of September 1968, which was referred to by my colleague, the hon. member for Waterloo (Mr. Saltsman), when he was speaking in the budget debate last September. It is recorded at page 1809 of *Hansard*. I will not take the time of the House to read the entire excerpt, but at that time the Minister of Finance did state, in an interview for the *Monetary Times*:

> Big business may soon have reason to examine a further dimension of the Just Society: The Federal Government, with ample cause to do so, is almost assuredly taking a hard long look at capital cost allowances—the rates of depreciation allowed for tax purposes.
>
> Projections made on the strength of a study done for the Carter Report suggest that since 1949 tax deferrals, arising from capital cost allowances, are now close to $6 billion. That is $6 billion which Ottawa never got and which had to be made up in other ways, notably by increasing taxes paid by individuals—hardly tolerable for a government which has been so chronically strapped for cash.

The report went on to point out:

> The report to the tax authorities can understate actual earnings to a degree that is totally misleading of their value. DBS, for example, uses the returns made to tax authorities in calculating profit trends. Would the trend have declined so vigorously (if at all) last year if corporations hadn't been writing off new investment of the preceding years at the maximum rates?

Later, the article continues:

> This is one major cause for another look at capital cost allowances. Another is the consequences for the company that makes maximum use of them.

The article goes on to deal further with the subject. This shows that the minister himself, has, on various occasions in the past, expressed a great deal of doubt about the value of this particular mechanism in stimulating the economy. It can have inevitable and undesirable consequences for the economy as a whole. Thus, I feel that this is the worst possible kind of bill. It demonstrates Liberal incompetence and their callousness toward the needs of Canadian people. Consequently, we in this party will oppose the bill to amend the Income Tax Act.

• (5:10 p.m.)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker. I am happy to say a few words about Bill C-225 extending for another year the so-called 3 per cent social development tax.

When the government levied that surtax, it was just to offset an apparent deficit and for one year only. It is now in its third year and this will be the third extension of its duration.

The last budget reveals that in Canada debt service has increased by some $2 billion within the last few decades, and the population of Canada is increasingly living in poverty.

Indeed, Canadians are living in abject poverty and this fact is recognized by all. There is no end to the expenses involved in setting up commissions which are instructed to determine whether there are poor people in Canada, how many of them there are, and how to deal with the problem.

But with an increase in taxes and the continuation of the 3 per cent surtax, Canadian citizens will have to pay these taxes and thus our taxpayers will lose the purchasing power which they had of could have had.

Then why is the government continuing this tax while we of the Ralliement Créditiste are advocating the introduction of a federal measure to establish an integrated credit for the whole of Canada. Accordingly, we tell the government that this economic monetary dictatorship is at the root of all our evils, of all our economic and social problems. We want a provincial and a federal legislation to wage war against poverty.

Will the extension of this 3 per cent surtax enable the government to achieve the stated aims? Mr. Speaker, we are dealing with an unpleasant and unfair situation just as we are pressing for a just legislation in a united Canada.

So, there is something the matter. What is preventing discussion and knowing the reason for the extension of this tax? To know it, you have to examine the meanders of the financial system.

According to the increase in taxes we have, or to the extension of this tax, our fiscal system is unfair. I will say that those who proclaim it, as well as those who accept it, are accessories to injustice and social disorder, accessories to anarchy, responsible for the present unbalance, responsible for taxes and surtaxes of all kinds, responsible for debts, for public and collective debts, since the extension of this tax will increase further collective debts and public debts, and even private debts. They are therefore responsible for poverty in families, responsible for dread, fear and all unnecessary privations.

The economy as advocated by the government is responsible and unfair, and is part of the injustice suffered by many Canadians. Our whole taxation system is the result of a financial system built on injustices. Our system is the aggregate of finance companies that control the financial system. It is a para-international system. Banks issue currencies that we call credit based on the real wealth of the country. Very well. Without that, credit would be valueless, because it constitutes the real wealth. Then, the credit money is only a symbol of real wealth. The true wealth is the thing; money is the symbol based on the thing. Therefore, it is recognized that credit given by various institutions is based on the true wealth of the country, that belongs to the country, that is is inhabitants.

As a matter of fact, there is individual wealth and collective wealth. Our financial associations or bodies are only individuals amongst other individuals; they are responsible for the money of the country, and now they proclaim themselves the owners of the money issued by them, as soon as it is issued; the owners of credit in order to cancel it when they decide to do so; the absolute owners of all the circulating currency, since they appoint themselves masters of the birth and death of money.

The extension of this tax, Mr. Speaker, is necessarily a reflection of wealth. The banks claim for themselves the ownership of money. Wealth is owned by citizens, but money, the symbol of wealth, is unjustly recognized as the property of bankers. With money, bankers have in their hands the tool necessary to take over all the wealth; they have taken over a good part of it. This is one of the reasons why the government was obliged to extend these taxes.

The financial institutions hold a mortgage on all real wealth, both public and private. The total debt of the country which comprises both private and public debts outweighs considerably the value of such wealth. The total debt of the country is the credit of the financiers. Banks own indirectly all the wealth of Canada and of Canadians; they claim an interest on these riches, and they may at any time demand the repayment of the capital. They can seize the capital whenever they like. The debts of the country to the financiers prove that this system is unfair and antisocial.

We find ourselves again in a tragic situation: either taxes are increased or the 3 per cent surtax continues to be in effect.

The present taxes are not necessary for the common good because they are levied only to pay interests to a few privileged institutions, to a few individuals who have the right of life or death over the institutions, the companies, the citizens, the government, and who thus become deprived, frustrated of their first and vital necessity. Those taxes merely and simply become a theft. They are part of a strategy organized by the powerful to strengthen their own power and, at the same time, weaken the power of individuals, of governments, who are right in claiming the ownership of the actual wealth which they create by their work.

Thus theft goes with tyranny. We must at all costs change this financial system, since the riches of the world were created for all men. It is the duty of Parliament to put them at the service of men, under the control of this government. All citizens must be able to enjoy a fair share of those riches made available to them by nature and industry and the extension of this tax does exactly the opposite.

Workers in this country create wealth and our financial institutions do the accounting so as to enable the citizens to exchange that wealth. That accounting is money. The Canadian people are by right the owners of that wealth and our institutions are constituting themselves owners of the money they make. Therefore our institutions, through a simple accounting process, register to their own credit what should be the assets of this country and at the same time they wish to register as national liabilities all the riches of this country. That last operation is practised when banks or financial institutions enter as the borrowers' liabilities, who are individuals and governments, that credit based upon riches. Financiers can steal that way because the money they create is created in the form of loans to individuals and of bonds. All the money that is made and thus created by the banks, as debts, is debt money.

The more people are taxed, the more taxes are increased and the more the people are buried in misery and austerity.

Financial institutions lend money but do not lend interest. They demand the repayment of those loans plus the interest they did not create. Such is the nonsense of that system that is becoming the greatest fraud in history.

The national debt means the national resources that were stolen by those institutions. It would be logical for the national debts to be converted into national capital, into equity, into social credit. The interest paid on the national debt should be converted into social dividends. Through this means, debts would vanish.

Such is the solution that we have been advocating for a long time, but to which the government never agreed. However, it never found another reasonable solution to offer. If this government were really serious, democratic and responsible to the Canadian people, it would surely bring about some amendment to our legislation, within the framework of our present system. We need not change the framework of our present system, for we could, by means of simple amendments to our legislation, return to the public what it is entitled to, and, in that respect, convert the national debt into a national dividend. This is what we would do if we opened our eyes and ears.

• (5:20 p.m.)

At the present time, we keep increasing the nation's debt and pushing our people deeper into economic stagnation, for 25 per cent of our budget goes for social welfare, whereas 14 per cent of it is used for economic support and expansion. This means that social welfare institutions gobble up almost three quarters of our budget. When a country has reached the point where it devotes that much of its budget to keep people from starving to death, to pay unemployment benefits and social welfare allowances to the poor, an increase in taxes is surely untimely. This is no time to extend the application of taxes.

We must, as members of Parliament, vote against this tax and abolish it as soon as possible and reduce the debenture rate. When government bonds are sold instead of buying them back at the new interest rate of 7, 8 or 9 per cent, we should at least keep the rate at its previous level. This would be doing something for the people. As long as we fail to do that, we shall keep on increasing debts, taxes, unemployment and public welfare costs.

This leads us to blame severely the government and the opposition for not opening their eyes in time to bring the necessary changes that would allow Canada to progress and live in affluence. Instead of distributing scarcity, of increasing taxes and of giving piecemeal to our citizens what they are entitled to have, we could give them directly everything they need and we would still be able to administer within our system, because the capitalist system is the best in the world.

We are faced with two ideologies: the communist ideology and the capitalist ideology.

If we are unable to come up with a better and more humane ideology, I wonder where we will end up.

Mr. Speaker, we shall therefore vote against this tax. We cannot support any longer the extension of this tax as we have other solutions. We could do something else.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on Bill C-225, which is a small measure introduced to change the tax law, I must first say that I think it is small in scope but large in result. It indicates the way in which the government is carrying out its course of action for the economic and fiscal well-being of Canada.

The state of the Canadian economy is not all that good. We have one of the highest unemployment rates in the western world. Dr. O. J. Firestone, who was one of Ottawa's most powerful bureaucrats of a decade ago, recently wrote an article for the *Canadian Tax Journal*. He had a lot to say, nearly all bad, about this administration's anti-inflationary policy.

He writes:

> The question is not whether the Canadian government should have pursued anti-inflationary policies. Rather the question is whether it was necessary to go so far out of line with the economic performance of most of the industrialized countries of the world.

Compared with the other 18 so-called OECD countries, we have created in Canada the highest level of unemployment among the industrialized nations. Consumer prices are lower admittedly than in most of the OECD countries, but in terms of industrial production we have the fourth worst record of OECD countries. Dr. Firestone estimates that a more lenient application of policies to control inflation could have increased the gross national product by $2 billion and found 200,000 new jobs.

Dr. Firestone goes on to say:

> Did Canada pay too high a price in becoming the world's leading nation in fighting inflation?

He predicts there will be "continuing under-utilization of the nation's production capacity" for 1972 as well as this year. It is indeed a grim assessment of a government which has hired all sorts of experts to help it with the management of the nation's business.

Canada may have had the greatest measure of price stability in the western world, as the Minister of Finance (Mr. Benson) has stated, but it also has had the highest level of unemployment with a consequent loss of close to $2 billion in gross national product. Nor have there been any indications of material changes this year in spite of the government's effort at pump priming, in the main through regional development incentives. Indeed, it is unlikely to show any improvement on last year's 3 per cent. A large part of the reason for this is that the government has drained the well of private productivity. Inflation has taken its toll of private productivity and high taxes and labour costs have also lowered the well.

The profitability of business—still the largest source of employment—has been declining since 1965-66 in spite of the physical growth that has been attained. Attempts by the government to take up the slack have not been too

successful. The cost of job creation in the government section is considerably greater than in the private sector. And in this manner, Mr. Speaker, I think that a tax reduction would be indicated and it is for this reason that I oppose the retention of the three per cent surtax.

The white paper proposal for tax reforms based on 1969 income would extract an estimated $205 million in its first year and $560 million in its fifth year. We cannot forecast what effect the white paper on taxation will have on the flow into financing growth. I do not think that anyone seriously questions that savings will be diverted.

• (5:30 p.m.)

Then, there is the high unemployment benefits, higher pensions and related measures. All are very desirable, but all pre-empt funds from business growth. In the past some of these funds came from outside the country. However, these will likely be reduced in the future. They are being repelled by high taxation and uncertainty. It seems that the government is basically in contradiction with itself. It is increasing its demand on domestic funds when it should be reducing them. I oppose the retention of the 3 per cent surtax at this time, Mr. Speaker.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, there is now before the House a government motion designed to extend the so-called social development tax of 3 per cent which had been imposed on a temporary basis in the spring of 1968.

In fact, at that time, the then Minister of Finance, who is now Secretary of State for External Affairs (Mr. Sharp), said that this surtax would only be levied in 1968 and 1969.

Ottawa finances are now in a bad way, and what is worse, they are inadequately and inefficiently managed. They are so far from achieving the anticipated results that what is adopted temporarily becomes a sort of habit—unfortunate and unexplainable we must admit—because the government does not plan either on a short term or a long term basis.

We have evidence of it today in this measure designed to extend the social development tax of 3 per cent which had been imposed on a temporary basis. It is a clear indication of the failure of the Liberal administration which is more proficient in the art of provoking and muzzling than in management matters.

Mr. Speaker, a high level of taxation and government revenue per capita is naturally associated with a high level of public expenses per capita, and this would lead us to believe that Canadians should expect more government services.

So today the federal government must justify not only the principle of this 3 per cent increase in taxation but also the use it is being put to.

• (5:40 p.m.)

Having heard the presentations of previous speakers, with the exception of the speech of the hon. member for Compton (Mr. Latulippe) who showed the other side of the coin, as is seldom done in this House, I say straight out that this government is unable to justify this 3 per cent surcharge.

Mr. Speaker, when this 3 per cent surtax was enacted in the spring of 1968, it was specifically designed to increase governmental revenues so as to enable the government to ensure a marked social development for the community as well as for the individual.

I refer to the speech delivered then by the Minister of Finance who said that without this surtax, the government would not be in a position to ensure social development and that with it, Canadians would be a lot better off.

The result of such a policy is apparent today. Such is truly not the case. This tax, a so-called social development tax, not only has not ensured social development in Canada but, furthermore, it has not provided anything worthwhile to those whose income places them on the threshold of poverty.

The principle of ensuring social development through taxes is, in my humble opinion, basically wrong and, as conclusive evidence, I would say the same thing of any social welfare or guaranteed income legislation which we now hear more and more about and which would only result in increased social welfare expenditures and finally, would not eliminate poverty in Canada, because it gives rise to an unfair increase in taxes based on unfair tax rates. The Finance Minister of King Philip once said: "Give me sound policies and I will give you sound finance."

Not only our financial situation is poor, but our policies are out of focus. It is a basic truth and this is why I feel that a country cannot at the same time indulge in every political trend and fancy, while forgetting the individual needs and its duties, and still believe that the economy will continue to progress.

If the government does not accept its financial and monetary responsibilities, it must not expect that the economy will be prosperous. When we sow poverty we reap poverty. When we pass legislation creating social injustices we create social injustice. When legislation that favors the big man at the expense of the little man is initiated, the result is oppression of the weak by the strong.

Mr. Speaker, naturally I want to oppose strongly the 3 per cent surtax because it advantages the big man, the large companies that crush the small people, regardless of their income.

I will go even further. The philosophy of the central government is unfair, not only to individuals at the benefit of large companies, but also to the provinces whose revenues are limited by the federal government. The policy is also unfair to municipalities that are deprived of that much taxing power.

Today, provincial and municipal governments, instead of trying to meet the needs of the individual by giving him more purchasing power, must fight with the federal government to know who will tax the individual more.

Mr. Speaker, the three levels of government all operate on the same fundamentally erroneous policy. Let us take a few minutes to analyze the phenomenon.

Mr. Speaker, when the economy is in full swing, what is the fiscal or monetary policy of governments under the present financial system? The only policy which they advocate is a policy of expansion of investments. As they cannot implement that policy of investments by their sole resources, what do they do? They go to foreign countries to borrow money at high interest rates in order to reinvest in Canada.

But when the economy is recessing, when social progress is not assured, what do those same governments do? Which principles guide them to lead the economy? They do the contrary, by adopting positions of restraint on credit. The right hon. Prime Minister (Mr. Trudeau) was telling to the leaders of the CLC this week: If inflation has caused unemployment, it is because workers have shown unwillingness to tighten their belt. A restraint policy, this is what it means.

When the economy is expanding, instead of financing such development with the tools available to them, government borrow from foreign sources. In so doing, they plunge individuals into debt.

As a matter of fact, if one refers to statistics, he will see that the per capita debt in Canada has been continuously on the increase for 25 years, and this because governments never stopped borrowing at exorbitant interest rates.

Such a policy contributes to individuals getting into debt. And while we go through a recession period, governments as I said propose measures of restricted credit, telling everybody: Tighten your belts! Starve to death! We have to prevent galloping inflation! Stop there! Sit quietly, we must avoid galloping inflation! And they adopt measures aimed at restricting credit.

Now, this second item of the government's fiscal policy brings about the same result as the first—indebtedness for individuals. In fact, over a period of economic recession, the individual, while seeing the various governments tighten credit, finds himself obliged to get into debt, for he lacks money. Then the unemployment rate is bound to increase. The individual lacks a stable income. His security is challenged, his freedom of choice lessened. And in such a case, as in the first, again it is the individual who becomes deprived of purchasing power, and his indebtedness persists. This explains why the Canadian people have $12 billion worth of debts, entered into with the help of private finance companies which are quite happy when economic crises occur for they can handsomely benefit from them while they provide loans at interest rates ranging from 15 to 25 per cent.

Mr. Speaker, the government therefore has only two means as its disposal to control, administer and guide the economy. Those two means, one of which serves in times of expansion, the other in times of recession, have the same effect, that is to deprive the individual of the purchasing power he needs, fundamentally and vitally, and secondly, to increase his debts.

That 3 per cent tax lies at the very heart of the problem. It is the logical result of an administration basically distorted that fits, it must be said, into the context of a poor administration.

Mr. Speaker, as recorded on page 7394 of *Hansard* of March 7, 1968 the then Minister of Finance said, at the time the 3 per cent surtax was implemented, that this tax would only apply to 1968-69 to solve an immediate problem.

The mere fact that the government is extending this tax proves that its policy is no good.

The Minister of Finance of the central government made a mistake and this is why today the government must impose again this tax with a new "song".

In 1968, the 3 per cent surtax for individuals was expected to yield $105 million during fiscal year 1968-69, but it was not necessarily applied to corporations since this was to produce only $45 million.

These figures are supplied by the ministers of Finance themselves and they prove that this 3 per cent surtax did not apply to those able to pay it but rather to those who had no choice and whose income was inadequate.

Mr. Speaker, in view of the premises I have just stated, the government's policies during expansion or slowdown periods inevitably contribute to increase the debts of the individual. In fact, this tax applies to the individual and not to the big companies. With this tax, the government is once again adding to the burden of the individual, the family man, the worker and the farmer.

Mr. Speaker, the 3 per cent surtax is not quite fair in our present system. Let us suppose—what I will never admit—that the present tax table is fair, this tax is still more unjust than the present tax table. At least the latter takes into account a certain income scale, while the 3 per cent tax equally applies to all individuals, regardless of their income, the number of their children or their responsibilities and needs.

Mr. Speaker, this tax is disgusting. Moreover, the surtax levied in 1968 was levied in an allegedly inflationary period, but according to the Prime Minister, we are not going through such a period at the present time. The Minister of Finance and the Prime Minister boast of having checked inflation and when this 3 per cent tax was established, they both said that surtax was to be levied at all costs, since it would help to check inflation.

Mr. Speaker, if we are to believe the Prime Minister's words, inflation today has been checked. Therefore, why a 3 per cent tax? Either the Minister of Finance lied in the spring of 1968 or today's minister is also a liar. But a decision has to be taken. If inflation was really checked, has he any reason today for keeping that 3 per cent tax? If it has not been checked, it means a 3 per cent tax was levied upon us in 1968 under false representations and the government should therefore give back to every taxpayer the money thus wrongly collected.

Those are but idle dreams really, for the government is using that to beguile people, so as to make them forget the real problem.

Mr. Speaker, whenever there is an economic recession, this government like its predecessors adopts measures to restrict credit. We say that it is precisely at such a time that the government should do something, through the use of two monetary and fiscal instruments, easily controllable, respecting individual freedom and security, namely the compensated discount on prices.

• (5:50 p.m.)

When the economy is expanding, the government should resort to what we call the national dividend.

The national dividend and compensated discount are the only two tools which, while respecting the liberty and security of individuals and adapting to their needs, allow them to really take part in the economy, to get their share of production, while avoiding economic recessions or the notorious economic cycle we know constantly, namely inflation or recession.

For these reasons, I am totally opposed to this so-called 3 per cent social development tax which has not really produced social progress but rather the recession of our economy, especially of individuals.

Mr. Speaker, in a twelve month period of application, according to the present Minister of Finance, it is expected that this tax will bring in $245 million. Experience has shown repeatedly that the present legislation is not strict enough with respect to companies and firms and to capital costs.

The present legislation on capital costs favours industry too much rather than the individual, and the bill before us today will result in a direct improvement of a situation which is already too beneficial to the big ones, that is, to those who already have a strong position in the economy, against those who are destitute. The bill introduced today by the Minister of Finance is aimed at encouraging new investments, and the tax paid by companies concerned will be reduced for a certain number of years by something like $250 million. Next year for instance, the reduction will amount to $25 million.

This bill has been introduced for the benefit of major companies and at the expense of individual citizens, householders and all those who now need government help to live.

In 1968, some 36 per cent of all individual citizens who had paid income tax were not concerned with the 3 per cent surtax. In 1971, because of these new principles of the Minister of Finance, only 25 per cent of Canadian taxpayers will be exempt.

Therefore, the 3 per cent surtax imposed by the government today is not exactly the same it has levied in the spring of 1968. Thus it modifies the aims set up in 1968; this is another indirect way, not to levy 3 per cent, but in fact 6 per cent on income because, owing to the renewal of the former 3 per cent tax, more individuals will be touched and fewer companies will be affected.

The government's need for money has obviously increased today. Before this bill is passed, we might wonder, whether the result of government policy, financed with millions of dollars, is really what was expected.

[Mr. Fortin.]

Mr. Speaker, when we look at the social, economic and fiscal situation of Canadians we soon realize that the results in the field of the socail policy of the liberal government have fallen short of the results which had been anticipated, and that poverty and misery have worsened in a country glutted with riches.

The wealth of a country, or its sound economic productivity should not be assessed according to its resources, since a country may have great resources and great poverty.

The value of the economy should be assessed according to the brains used to administer it. If there is still some gray matter left on the other side of the House, let them use it to make the economy serve Canadians and stop levying taxes and surtaxes. Heavens knows what kind of tax they can dream up to increase revenues. Let them stop crushing the small Canadian taxpayers and at last give them the opportunity to participate in the economy.

We are making today another attempt to protest against the levying of the so-called social development tax of 3 per cent because it was levied on false pretenses, and did not produce the results anticipated. Since this tax is not warranted, the government should save us from it.

Mr. Speaker, we are taking this opportunity to show our colleagues we are floundering in this financial system, that all these measures mean nothing and only aggravate the economic situation of the country.

Mr. Speaker, we urge our colleagues seriously to consider the Social Credit theory and the solutions it proposes, namely, use the Bank of Canada to advance the necessary credit to all levels of government, federal, provincial and municipal, in order to really finance social progress at the public sector level without putting the Canadian taxpayers into debt.

Today, to finance their investments, the governments have to get the Canadians into debt, depriving them of the minimum purchasing power. We suggest that they use the Bank of Canada to finance social development, to support the policy of the federal, provincial and municipal governments, in order to pay for only one school, only one bridge. We must no longer have to pay for three schools: two for finance, and one for us.

That is what makes the taxes go up. Interest mars the loans of the government, and by borrowing it does not use the tools at its disposal. All it has to do is to decide, but it continues to get the Canadians deeper into debt. We urge the government to use the Bank of Canada to finance the public sector on the basis of the true value of the goods produced, the real credit, so that our country might achieve a decent, progressive growth, without getting the Canadians into debt.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I cannot let this seemingly insignificant bill, as it hardly covers one page, pass. Once more in the House, there seems to be an agreement on the government side as well as on the Conservatives and the New Democratic party's side, to allow the passage of this monstrosity.

Well, no. I just want to say that we refuse to let the government tax and "retax" the population. It always proposes little insignificant and temporary taxes, which are finally retained. The Canadian people always wonder why parliamentarians do not even dare protest against this abominable—

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, might I ask the House leader whether he will confirm the business for tomorrow, and whether or not we will continue with this debate.

Business of the House

Mr. MacEachen: Mr. Speaker, we propose to continue with this measure tomorrow. It may be that when we have completed this measure the order that I announced last Thursday will be changed, but I will confer with the house leaders tomorrow morning about that possibility.

The Acting Speaker (Mr. Richard): I must say that this House today reminds me of my family motto, "Sat seto si sat bene"—which roughly translated means "let us proceed slowly but surely".

It being six o'clock, this House stands adjourned until tomorrow afternoon at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 4, 1971

The House met at 2 p.m.

ORAL QUESTION PERIOD

OIL

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—CONSULTATIONS WITH UNITED STATES—NORTHERN TRANSPORTATION POLICY

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In light of the minister's answer yesterday to the question put by the hon. member for South Western Nova, has the government now received a formal response from the United States government to the request for formal consultations on the TAPS route and, if not, can the minister reveal any concrete information to allay fears that the decision has already been made without consultation?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can certainly answer the second part of the question. Obviously no decision has been made since the hearings of the committee that has been established to examine into the ecology and the economics of this pipeline; the matter is still under way.

Mr. Aiken: I have a supplementary question, Mr. Speaker, arising out of statements made on a two-hour television program last night by the Minister of Energy, Mines and Resources and the Minister of Indian Affairs and Northern Development indicating that they are taking a rather casual attitude to the transportation of northern oil. Can we expect a statement soon on government policy regarding the transportation of oil from the northern parts of Canada?

Mr. Sharp: Mr. Speaker, a number of answers were given yesterday to these questions and there is really very little I can add to what was said on that occasion. I believe it is most important that a decision about the building of the trans-Alaska pipeline system be made in light of the great risks and dangers that exist to the Pacific coast. This is a matter of supreme importance not only to the people of Canada but to the people of the United States. From our point of view, a decision adverse to the building of that pipeline would leave us in the position of looking at the problems of alternative routes free of any prejudice.

Mr. Aiken: Can the minister give any indication as to when the government intends to make a decision on its stand in connection with the transportation of oil?

Mr. Sharp: Mr. Speaker, what we are talking about now is the transportation of Alaska oil. The United States has the problem of finding some safe and economic way of transporting this oil from the state of Alaska to other states of the union. The question as to which is the better route is, first of all, one to be considered in the United States. I have expressed the view of the Canadian government that it would be very risky to transport that oil down the Pacific coast to Bellingham. I have urged the people of Canada and the United States to express their views quite clearly on that question so that a decision can be made with a clear understanding of the great risks that are involved. That is the question at the moment. The question of whether United States companies want to apply to transport their oil through Canada is a separate question. They have not yet applied.

POSSIBLE MACKENZIE VALLEY PIPELINE—HOUSE DEBATE BEFORE FINAL DECISION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Acting Prime Minister this question. If serious discussions about the movement of oil or gas through Canada down the Mackenzie Valley are undertaken, will the government give the assurance that before any final decision is made there will be adequate time set aside for discussion of the whole question in the House in view of the very great possibility of serious damage to the ecology of Canada as a result of such a decision?

Hon. Mitchell Sharp (Acting Prime Minister): There are a great many preliminaries that would have to be satisfied before any such decision could be made. There would have to be an application to the National Energy Board for permission. At such a hearing there would be a complete examination before the board in public of all the considerations involved. At that time Members of Parliament could express their views on this matter. There could be debates in the House of Commons at that time. So far this is a hypothetical question because no application has yet been made.

Mr. Orlikow: Will the minister look into the question of whether the National Energy Board has the technical staff required to make an in-depth study of the possible dangers to the ecology of Canada if such an application were approved?

ENERGY POLICY AND ECOLOGICAL PROBLEMS OF OIL TRANSPORTATION

Mr. Louis-Roland Comeau (South Western Nova): I have a supplementary question, Mr. Speaker, for the Acting Prime Minister. In the government's present

efforts to formulate an over-all energy policy for Canada, is it considering the ecological problems of transporting energy such as oil, and will a policy statement be made along these lines?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my understanding that the Minister of Energy, Mines and Resources is now in the process of developing an energy policy for presentation to the government which eventually will be the subject of a public release. I am not certain in what form that will be made—perhaps a white paper or in the form of statement of another kind. Certainly the government is working on the problem now.

Mr. Speaker: The Chair will recognize one additional supplementary question by the hon. member for Athabasca and I suggest we might then go to the next subject.

POSSIBLE MACKENZIE VALLEY PIPELINE—DISCUSSIONS WITH NATIVES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is directed to the Acting Prime Minister or the Minister of Indian Affairs and Northern Development, whichever wants to answer. Have sufficient consultations been held with the native people of the Mackenzie Valley, since this is the route the government is favouring, and has any agreement been obtained from the local residents that this is in fact the best route?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I expect the minister will be here tomorrow and I will see that this question is brought to his attention. Perhaps he will give an answer at that time.

* * *

FINANCE

CONTINUATION OF EXEMPTION FROM UNITED STATES INTEREST EQUALIZATION TAX—CANADIAN U.S. DOLLAR RESERVES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance arising out of press reports from Washington. Has the Canadian government made representations to the government of the United States requesting that the exemption under the interest equalization provision which has been enjoyed by Canada up until now shall be continued?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I understand the situation, the President of the United States has requested an extension of the interest equalization tax, including a continuation of the exemption for Canada. I believe this has been approved by the house committee and is presently before the senate committee in the United States and will be considered by it. The question of Canada's exemption was not raised in the house committee. In respect of representations, official representations have not been made because the intention indicated was to seek the continuation of the legislation and the exemption. There have been, of course, discussions between officials of Canada and the United States in which we indicated our interest in an extension.

[Whereupon there was an interruption from the gallery.]

Mr. Speaker: Order. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am used to being —

Mr. Speaker: Will the hon. member kindly ask his question. The Chair is able to hear him.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am used to being interrupted. I have been married a long time. In view of the fact that when Canada was granted this exemption originally it was on condition that we maintain a certain ceiling on our reserves of United States currency, may I ask whether there has been any condition attached in this case? Is there a ceiling on the reserves of United States currency or has Canada agreed to maintain the Canadian dollar below parity with the United States dollar?

Mr. Benson: Mr. Speaker, as I indicated in the House several times in the past, almost ever since I have been Minister of Finance, there was no such undertaking by the Canadian government. In order to reinforce this statement there was an exchange of letters between myself and the former Secretary of the Treasury, Mr. Kennedy, indicating there was no such ceiling, and there is none.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister probably did not catch the second part of my question. Is there any understanding that Canada will maintain the Canadian dollar at or below parity? If not, why did the Canadian government or the governor of the Bank of Canada acquire, as he did, over $50 million of United States currency in the month of February?

Mr. Speaker: Order, please. The minister might reply briefly, but I think we are getting into the sphere of debate at this point.

Mr. Benson: There is no such requirement or agreement. The reason for acquiring relatively small amounts of exchange by the Bank of Canada from time to time is to smooth out changes in the Canadian exchange rate.

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[Translation]

MANPOWER

ALLEGED INACCURACY OF STATISTICS RESPECTING UNIVERSITY GRADUATES—REQUEST FOR ESTABLISHMENT OF CO-ORDINATED POLICY

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Minister of Manpower and Immigration.

Given the very high level of unemployment among university graduates and the inaccuracy of statistics established by the Department of Manpower and Immigration in relation to the problem, alleged by the *Globe and Mail* of March 3, 1971, is the minister considering the establishment of a bureau to collect statistics in this field in order to co-ordinate demand and offer of highly qualified personnel?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): We do have examinations of the problem of people seeking employment in every range. We are at all times trying to improve our facilities, and the case of those with university degrees or other significant amount of training are no exception. We will continue to look at our facilities and attempt to improve them in every way.

[*Translation*]

Mr. Fortin: Mr. Speaker, I have a supplementary question.

Considering what the minister has just said and considering also that, according to the Canadian Association of Universities and Colleges, there is no co-operation between the federal and provincial governments for the purpose of providing university graduates with jobs compatible with their education, does the minister intend to convene a conference of education ministers in order to establish the basis of a co-ordination policy?

[*English*]

Mr. Lang: Mr. Speaker, there are a number of fronts on which co-ordination can certainly be improved, not only between the provinces and the federal government but perhaps, in addition, with the universities themselves. I think, as some of my colleagues have recently mentioned, there are some problems in this regard, not only with regard to the length of the term but perhaps also with regard to the direction in which that training goes. This will receive increasing attention from the government, perhaps from one or two of my colleagues rather than from myself, but also from all of us jointly.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to put a supplementary question.

As a result of the minister's statement and the scope of the problem, could he tell us whether he intends to call a meeting with provincial representatives, in order to consider this problem and solve it?

[*English*]

Mr. Lang: I am not sure that a conference immediately would be the best way to deal with the problem, but certainly consultations would be useful and these are going on with regard to different aspects of the problem. When it is appropriate to have a meeting, we will have one, of course.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to ask the minister—

Mr. Speaker: Order. I have allowed the hon. member to ask a third supplementary question, but I feel that four questions in a row is going a bit too far. We could perhaps now change the subject.

Mr. Fortin: Mr. Speaker, do the minister's statements mean that the federal government wants to be the only one to be blamed for that problem—

Mr. Speaker: Order. The hon. member for Charlevoix.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED INFILTRATION OF PARTI QUÉBÉCOIS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, last Tuesday, as will be seen on page 3869 of *Hansard,* I asked the Solicitor General a question relating to the possible infiltration of the Parti Québécois by federal agents, and he replied that members of the Royal Canadian Mounted Police were free to join the party.

Now, since he felt it desirable to correct his statement outside the House, could he tell us why he did so?

Mr. Speaker: I do not think it is in order for the hon. member to ask the minister why he made a correction. Should the hon. member want information, he could well ask the minister directly, and I think that in putting this question the hon. member would like to initiate a debate.

I suggest to the hon. member that he might rephrase his question.

Mr. Asselin: Thank you, Mr. Speaker.

In accordance with your advice, I ask the minister if it is true that members of the RCMP are free to belong to any political party.

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, Canadian political parties cannot be infiltrated by members of the RCMP, because an internal administrative rule forbids its members to belong to a political party. However, if anything, it seems that a political party has begun police activities as mention is made of spies, informers—

Mr. Speaker: Order please.

Mr. Asselin: Mr. Speaker, I have a supplementary question for the minister.

The minister always makes long statements, but he should obviously be given a chance to state his argument. Therefore, I repeat my question: Can the hon. minister tell us if the Royal Canadian Mounted Police regulations allow for membership in a political party?

Mr. Goyer: Regulations forbid it, Mr. Speaker.

Inquiries of the Ministry

NATIONAL SECURITY

COMPENSATION OF PERSONS UNJUSTLY DETAINED

Hon. Martial Asselin (Charlevoix): I wish to ask a supplementary question of the hon. minister, Mr. Speaker.

Lately, I asked the hon. minister to inquire from the Quebec Attorney General whether monetary compensation had been provided for persons arrested without justification, under the War Measures Act.

Hon. Jean-Pierre Goyer (Solicitor General): I am informed, Mr. Speaker, that the Quebec Minister of Justice is awaiting a report from the ombudsman in this regard.

* * *

[*English*]

NATIONAL DEFENCE

COST OF NEW BOEING 707 AIRCRAFT—REFUELING CAPACITY

Hon. J. A. MacLean (Malpeque): I wish to direct a question to the Minister of National Defence with regard to the announcement three or four days ago of the purchase of an additional 707 aircraft. Was this aircraft purchased at the same relative cost and on the same basis as the previous four? Also, does it have the capacity to be used as a refueling tanker or will it be equipped with that capability?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, the final purchase price of the aircraft is being negotiated between the Department of Supply and Services and the Boeing Aircraft Company. I think I would be correct in saying it is in the same general area of cost as the four acquired last year. Two of the four aircraft now have in-flight refueling capability. Subject to examination, I do not believe this one will have.

Mr. MacLean: Is it expected that this fifth aircraft will be in service by the end of next month when the Yukon aircraft are due to be taken out of service?

Mr. Macdonald (Rosedale): We would hope to have it in service perhaps a little later in the spring. I doubt whether we can make it by the end of next month.

Mr. A. D. Hales (Wellington): I have a supplementary question for the Minister of National Defence. Can the minister advise the House why the five were not ordered at one time?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. Actually the requirement, as identified in the defence department, was for six, but in view of the limitations on the department budget it was not possible within the confines of the last fiscal year to obtain more than the four, nor within the confines of the present fiscal year to obtain more than this fifth one.

[Mr. Goyer.]

Mr. MacLean: Is it the intention of the department to purchase the sixth aircraft in the next fiscal year?

Mr. Macdonald (Rosedale): Mr. Speaker, if the funds are there we will certainly give it very earnest consideration.

REPLACEMENT FOR ARGUS MARITIME PATROL AIRCRAFT

Mr. Doug Rowland (Selkirk): I have a supplementary question for the Minister of National Defence. Is the government considering the purchase of a derivative of the Boeing 707 as a replacement for the Argus maritime patrol aircraft, as reported in the press?

Hon. Donald S. Macdonald (Minister of National Defence): We have had a very interesting submission along those lines, but there are a number of technical difficulties on which we would have to be satisfied before we take that into direct consideration.

ACCESS TO CONSTITUENTS AT BMEWS SITES BY NORTHWEST TERRITORIES COUNCILLORS

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Minister of National Defence. Is it the policy of the government to deny access to constituents at BMEWS sites in the Arctic to the duly elected councillors of the Northwest Territories?

Hon. Donald S. Macdonald (Minister of National Defence): Subject to correction, Mr. Speaker, it is my understanding there are no BMEWS sites in Canada.

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THE CENSUS

SUGGESTED EMPLOYMENT OF STUDENTS

Mr. Max Saltsman (Waterloo): My question is for the Minister of Industry, Trade and Commerce. In view of the 1971 census which will commence on June 1 of this year and the high level of student unemployment, is the minister giving consideration to employing students in the taking of the census this year?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have already looked into that idea, Mr. Speaker, at the request, among others, of the hon. member for Davenport. Canada-Statistics found that it would be extremely difficult to use students for the census because they would have to be trained prior to June 1 and apparently they would not be free at that time being still in school.

Some hon. Members: Oh, oh!

Mr. Horner: So you get political hacks.

Mr. Pepin: I am giving an honest answer. If anyone has a better one I will listen to it.

Some hon. Members: Hear, hear!

Mr. Pepin: I was going to add, before being so rudely interrupted, that a number of students will be needed for work here in Ottawa on the census results during the summer months, and special attention will be given to students for these particular jobs.

Mr. Saltsman: In view of the fact that many students will be leaving school in April, or shortly after that, and could start making preparations even at this time for training to take the census, will the minister give serious consideration to using students rather than political hacks such as have often been used in the past?

Mr. Speaker: Order, please. The question, asked in those terms, is out of order.

ADVICE TO PEOPLE CONCERNING THEIR RIGHTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I would like to direct a supplementary question to the Minister of Industry, Trade and Commerce who is in charge of the census. In view of the fact that there are 80 questions for urban residents and 200-odd questions for rural residents, since the two basic laws of census-taking are that the census-taker must be seen and identified before questions are answered, and as only about five of the questions are compulsory, that is, name, address, occupation and ethnic origin, does the minister plan to advise the Canadian people of their rights, and is the minister aware that the Dominion Bureau of Statistics has decided to do this census by telephone rather than in the regular door to door fashion?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am afraid I will need the advice of Canada-Statistics in order to understand the question.

Mr. Paproski: Then would the minister check with his deputy minister who is head of the Bureau of Statistics as Dominion Statistician—

Mr. Speaker: Order, please.

Mr. Paproski: —and advise the House that there will be no partisan hiring of people—

Mr. Speaker: Order, please. We are running short of time and I must bring to the attention of hon. members the fact that we have covered only two or three subjects. I suggest we should try to get on to another subject.

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EXTERNAL AFFAIRS

INQUIRY AS TO APPOINTMENT OF AMBASSADOR TO PEOPLE'S REPUBLIC OF CHINA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, as the Secretary of State for External Affairs is about to depart for Africa I am sure the House will wish him well.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, there was not as much applause as I had expected the minister to get.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Has any determination been made yet as to the identity of our ambassador to Communist China, or will there be an announcement of that appointment during the minister's absence?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the cabinet has made a decision as to the ambassador that we would like to have accepted by the People's Republic of China. We are now seeking the agreement of that government.

Mr. Diefenbaker: May I ask the minister whether Professor Paul Lin—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —whose name is a dirty word to the Prime Minister and who is now in Communist China has any authority from the Department of External Affairs to visit and discuss matters of international importance with those who today occupy a *locum tenens* position on behalf of Canada in the Canadian embassy there?

Mr. Sharp: Mr. Speaker, the right hon. member for Prince Albert has an advantage over me. He apparently knows Professor Lin. I do not know him and I do not know what he is doing. However, I can assure the right hon. member that he has nothing to do with the Department of External Affairs.

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YOUTH

USE OF ARMOURIES AS HOSTELS FOR TRANSIENT YOUNG PEOPLE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the defence department's opposition to the use of armouries as hostels for transient young people this summer, can the minister indicate whether or not the government has made a decision regarding the use of these armouries and, if so, what is that decision?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am slightly curious as to why the question was directed to me. I am sure there are others in the House who might be able to confirm or deny that story. I personally do not know anything about it.

Mr. Nystrom: Mr. Speaker, may I direct the question to the Acting Prime Minister. Can he say whether or not a decision has been made respecting the use of armouries this summer as hostels for transient youth?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this matter has been under discussion in the government. I think the hon. member will have to wait

until the statement of policy that I referred to yesterday is made.

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FINANCE

USE BY PROVINCES OF CAPITAL WORKS LOAN FUND TO COMBAT UNEMPLOYMENT

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I wish to direct a question to the Minister of Finance. As four months have passed since the budget of last November, has the province of Ontario yet taken up any part of the $160 million offered to provinces and municipalities to assist in capital works projects to combat unemployment?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker, not to my knowledge.

Mr. Kaplan: Have any provinces taken up any part of that fund?

Mr. Benson: Yes, Mr. Speaker, but I would have to look up the details as to which provinces have taken part of it.

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EXTERNAL AFFAIRS

ISRAELI-ARAB CONFLICT—SUGGESTED REPRESENTATIONS TO ISRAEL RESPECTING PEACE NEGOTIATIONS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. I crave the indulgence of Your Honour and of the House to wish him, on behalf of my party, infinite wisdom and unaccustomed success as he goes abroad.

Mr. Diefenbaker: You mean unaccustomed wisdom.

Mr. Macquarrie: In reference to the Middle East situation, potentially terribly explosive, and in particular in reference to the statement of the British Secretary of State yesterday regarding the Egyptian commitment and the non-commitment on the part of Israel, can the minister advise whether he and the government are taking advantage of the great friendship they have with the state of Israel to urge that country and that government to do everything possible to enlarge and continue the scope and the period of the negotiations, and diminish the areas of confrontation and conflict in this terribly explosive situation?

Mr. Peters: Amen!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, to the sentiments expressed so eloquently by the hon. member I too say amen.

[Mr. Sharp.]

INDUSTRY

CHEMCELL LIMITED—ASSISTANCE TO OFFSET UNPEGGING OF DOLLAR AND AVOID LAY-OFFS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question which I would like to direct to the Minister of Industry, Trade and Commerce. In light of the minister's assurance as recorded at page 1315 of *Hansard* of November 19, 1970, that companies severely affected by the unpegging of the dollar may receive "assistance on a very practical basis", is the government considering or is it going to provide such assistance to Chemcell Ltd., which is forced to lay off approximately 320 people at its Edmonton and Two Hills plants largely because of the unpegging of the dollar? If so, when will such an announcement be made?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The unpegging of the dollar has indeed been a cause of that. But if one looks at the reasons given by the company itself unpegging is only one of them. The most important one the company gives is the lack of size of this plant and the limited possibilities in Canada in comparison with what is possible elsewhere.

Mr. MacInnis: Is that an honest answer?

Mr. Speaker: Order, please.

Mr. Mazankowski: Mr. Speaker, in view of the fact that the minister has indicated that the government has not accepted the position of Chemcell that these lay-offs have been necessitated to a large degree by the unpegging of the dollar and the current financial condition of this country, would the minister indicate whether officials of his department are consulting with officials of the company with a view to averting this wide-scale lay-off?

Mr. Pepin: Mr. Speaker, my officials have been consulting with the company. I have here a statement by the company giving all the reasons for closing part of this plant. There are about ten of them. The most important one, however is "the size of chemical production capacities throughout the world".

Mr. Speaker: Order, please.

* * *

[*Translation*]

FINANCE

PROPOSED NATIONAL SECURITIES COMMISSION—OPPOSITION BY QUEBEC

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Does the government intend to proceed further with its plan to create a National Securities Commission, in spite of the objection expressed recently by the province of Quebec?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this question was raised yesterday. It is applicable to the Department of Consumer and Corporate Affairs, and I referred it to that minister.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I want to ask a supplementary question.

Does the minister intend to reimburse part of the damages caused yesterday in Toronto by the Prime Minister's visit?

* * *

[*English*]

ADMINISTRATION OF JUSTICE

MONTREAL—ALLEGED ARRESTS UNDER PUBLIC ORDER (TEMPORARY MEASURES) ACT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Minister of Justice if he is any more knowledgeable today than he was yesterday in reference to the seven people arrested under the Public Order (Temporary Measures) Act which replaced the War Measures Act? There were no court proceedings, and that seemed to be his excuse for not answering whether he would give a detailed statement of the reasons for this Act being used, which the government of the province of Quebec said would not be used except under very exceptional circumstances.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have been advised today, after looking into the matter, that the arrests had nothing to do with the Public Order (Temporary Measures) Act.

Mr. Woolliams: Mr. Speaker, the Minister of Justice said yesterday, and I should like some clarification, that the Public Order (Temporary Measures) Act would be withdrawn when it was acceptable to do so, or when the atmosphere was such that it would be safe to do so. May I ask what shadows are now lurking in Quebec society that require this Act to be kept in force?

[*Later:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Justice. It is in connection with the detention of seven people in Montreal on Monday, when the police stated that they were acting under the provisions of the Public Order (Temporary Measures) Act and, even though they had warrants, did not use them. Could the minister clear up this matter in view of the conflicting statements of the Quebec government, the Prime Minister of that province, and of the minister himself?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I thought I was fairly specific when replying to the hon. member for Calgary North. I was advised by our people in Montreal that the Montreal police obtained an ordinary search warrant and went to an apartment where some documents were found and that several persons were arrested. Those persons were subsequently released a few hours later after it was decided that there was not sufficient evidence to charge them. I am advised also that the arrests had nothing to do with the Public Order (Temporary Measures) Act, as I have just told the hon. member for Calgary North and the House, although the newspaper *Le Devoir* apparently quoted a Montreal policeman who said that the raid took place under the provisions of the Act.

Mr. Woolliams: Mr. Speaker, I think that we should have this point cleared up. Could the Minister of Justice tell us where he got his information, since more than one police officer, and they were the ones doing the job, said that they were searching for documents under the authority of the Public Order (Temporary Measures) Act?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I got my information from the director of the office of the federal Department of Justice in Montreal, who inquired of the Montreal police.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I think this is something that has to be cleared up. May I ask the Solicitor General whether he will communicate with the RCMP and ascertain what the facts are and what was the nature of the allegations contained in the search warrant, because this leaves a shadow on the RCMP that ought not to be permitted? This Act under no circumstances should be used today.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, not once did I mention the RCMP. The RCMP had nothing to do with that situation. The implication in the right hon. gentleman's statement that I in any way misled the House or tried to confuse it should not remain unchallenged on the record.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman would not be so touchy unless there were some reason to be.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, these prospective appointees as parliamentary secretaries apparently are trying to make themselves known.

In view of the report that the mounted police had stated that what had taken place was under the provisions of this Act, would the Solicitor General, who is responsible for the RCMP, look into this matter and report to the House?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the arm of justice cannot go against justice.

Inquiries of the Ministry

[*English*]

Mr. Speaker: Order, please. I understand that only a few minutes remain before the end of the question period. I realize that this is an important matter.

Mr. Diefenbaker: Mr. Speaker, I did not hear what that ejaculation was on the part of the Solicitor General. I ask him to look into this matter and not to try to shove it aside, because it cannot be done.

* * *

OIL

POSSIBLE MACKENZIE VALLEY PIPELINE—PROTECTION AGAINST TRANS-SHIPMENT OF OIL DOWN WEST COAST

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Acting Prime Minister on the subject of the licensing of an oil pipeline down the Mackenzie Valley. Does the government intend, if this pipeline is substantially in the interests of the United States, to make any approval of the licensing contingent upon an agreement that no trans-shipment of oil will take place down our west coast in order that pollution and damage to the ecology will not result in two areas?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the question put by the hon. gentleman illustrates the great complexities of this situation. I think it is highly desirable, and I am sure the hon. member thinks so as well, that each decision should be made separately and that we should not bargain the one against the other. I am sure that the national interests of Canada and of the United States would be best served if a decision were made not to build the trans-Alaska pipeline system and then go down the Pacific coast to Bellingham.

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TRADE

REPORTED BRITISH OFFER OF ALTERNATIVE AGRICULTURAL CONCESSIONS IN LIEU OF FREE MARKET FOR WHEAT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce. In view of recent reports of negotiations between Canada and Britain in regard to future exports of wheat to that country under Britain's new grain import policy and in view of the fact that Britain is reported to have offered to Canada alternative agricultural concessions in lieu of a free market for wheat, can the minister inform the House what is the nature of the British offer?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I cannot do so. I can only say that this subject has been discussed with the British for a number of weeks now. I can also state that Mr. Rippon, the British negotiator on the EEC enlargement, will be here this evening and we will be meeting him tomorrow and this will be one of the points on the agenda.

[Mr. Goyer.]

Mr. Gleave: Mr. Speaker, can the minister indicate to the House the probable extent by which the import levies on grain going into the United Kingdom market will affect our exports to that market?

Mr. Pepin: Mr. Speaker, it is difficult to do so without knowing what will be the final amounts that the British will decide upon. I do not think this has been announced and consequently I do not think I can comment.

* * *

[*Translation*]

EXTERNAL AFFAIRS

LAOS—REPORT BY INTERNATIONAL CONTROL COMMISSION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs?

Can the minister tell us whether the Canadian representative on the International Control Commission in Viet Nam has received a report that the Republic of Viet Nam was to present to the Commission, and will the minister make a statement in connection with the inspections made by the Commission on the events of the past few weeks at the border of Viet Nam and Laos?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we are still endeavouring to have the International Control Commission in Laos undertake an investigation of complaints made over recent months. So far we have been unsuccessful.

* * *

[*Translation*]

CRIMINAL CODE

POSSIBLE WIDENING OF ABORTION PROVISIONS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare.

Can he tell us whether the research now being undertaken by the Food and Drug Directorate of his department on the prostaglandine group indicate that the government intends to relax the law governing abortion in the near future?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker, it has no implications in that direction at all. It is, however, a drug being tested in a controlled situation in a hospital in Canada. It is only being administered by a duly appointed hospital committee in accordance with the law of Canada.

NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—FURTHER NEGOTIATIONS PRIOR TO STRIKE DEADLINE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the President of the Treasury Board. Will there be further negotiations between the board and the 2,900 plus employees in the ship repair groups at the east and west coast dockyards before the strike deadline set for Sunday?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, we expect to be officially notified on this strike deadline, but we have not been informed of it yet. This should lead to further discussions.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. The question period has now expired. Perhaps we might allow one or two supplementary questions on the matter raised by the hon. member for Halifax-East Hants. The hon. member for Nanaimo-Cowichan-The Islands.

DOCKYARD EMPLOYEES WAGE DISPUTE—WIDENING OF DISPARITY BETWEEN EAST AND WEST COAST BY GOVERNMENT OFFER

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question arises from the fact that the conciliation board recommended an increase of 42 cents on the Pacific coast and 37 cents on the Atlantic coast, which would have still retained the disparity but would not have increased it. Why is the government offering only 27 cents to the ship repair workers on the east coast, thereby widening the disparity from 85 cents an hour to a dollar an hour?

Hon. C. M. Drury (President of the Treasury Board): It has been the policy in approaching these collective labour agreements, as I think the hon. member knows, to achieve the closest possible relativity between workers in the Public Service and those in the private sectors in each region of Canada. The offer in the minority report of the conciliation board came much closer to achieving this degree of relativity than did the proposal in the majority report.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does this mean that the government has decided on a policy of not paying men equal pay for equal work by taking advantage of a depressed area to pay a dollar an hour less?

Mr. Speaker: Order. May I suggest to the hon. member that he is putting forward an argument rather than a question.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: I should like to ask the President of the Privy Council to make a statement concerning the business of the House for a period as far into the future as he can predict.

Mr. MacEachen: Today we shall continue with the debate on the budget bill which was before the House last evening. If it is completed before the end of the day we shall consider the legislation dealing with statutory instruments until the House rises. In any events, we shall begin tomorrow with the Yukon minerals bill, followed by the textile legislation and the packaging and labelling measure, if we reach that point. I should like to mention that Tuesday and Friday of next week will be opposition days. I cannot go further than that.

Mr. Knowles (Winnipeg North Centre): Since the minister has been good enough to give us this forecast and announce that Tuesday will be an opposition day, may I say that on that day we shall be moving a motion concerning the report of the Royal Commission on the Status of Women.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We suspect that our caucus room was bugged yesterday morning.

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): I wonder whether the minister will take up with the Prime Minister the possibility of his designating a minister to be responsible for legislation respecting the status of women before our motion is called on Tuesday.

Mr. Speaker: I believe the President of the Treasury Board is attempting to catch the Speaker's eye to request that we revert to motions, and I also believe the hon. member for Joliette has an urgent supplementary question.

* * *

[*Translation*]

HOUSE OF COMMONS

POSSIBLE INCREASE IN MEMBERS' INDEMNITIES—INCREASE IN JUDGES' SALARIES

Mr. Roch La Salle (Joliette): I think my question is urgent, Mr. Speaker, all the more since it concerns all members of Parliament.

Since some questions dealt with legislation that will eventually be adopted, I would like to put a question to the President of the Privy Council.

Considering the possibility that a bill will be introduced in the House to raise the salary of federal judges, is he in a position to assure the House that no such raise will be granted before the government has taken a deci-

sion regarding the increase of allowances of the representatives of the people?

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): I will bear in mind the representations made by the hon. member.

Mr. Speaker: Order! Is it agreed that we revert to motions for the purpose of hearing a statement from the President of the Treasury Board?

Some hon. Members: Agreed.

And the House having reverted to motions:

* * *

SUPPLEMENTARY ESTIMATES (C), 1970-71

A Message from His Excellency the Governor General transmitting Supplementary Estimates (C) for the financial year ending March 31, 1971 was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. Allan J. MacEachen (President of the Privy Council): Pursuant to Standing Order 59 I should like to move, seconded by my colleague the President of the Treasury Board:

That Supplementary Estimates (C) tabled this day be referred to the Standing Committee on Miscellaneous Estimates.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. As a matter of fact, I have two points of order with regard to this proposed motion. I should like to suggest that the motion be allowed to stand until tomorrow morning and brought up under Motions at that time. If not, I am prepared to proceed with my points of order.

Mr. Speaker: Is it agreed that the motion stand, or does the House prefer to hear the hon. member's point of order at this time?

Mr. MacEachen: I am quite agreeable to having the motion stand until tomorrow. We can deal with it then.

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FISHERIES

PREVENTION OF FISHING BY FOREIGN DRAGGERS WITHIN 12-MILE LIMIT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on a point of order, in view of the urgent situation which has arisen off the southwest coast of Newfoundland because of the presence of foreign draggers, would this not be a good opportunity for the minister to give us the latest information in order to clear up this situation?

[Mr. La Salle.]

Mr. Speaker: I, of course, have no objection to the question being asked but, as hon. members realize, the question period expired a full ten minutes ago. I appreciate that the matter is important and that the House might well feel that the minister should be given an opportunity to reply. I also appreciate that perhaps the hon. member should have been allowed an opportunity to ask his question earlier, but I did caution hon. members throughout the question period that we were probably spending too much time on the original questions. When there are too many supplementaries, important questions such as the one raised by the hon. member, questions which should normally be considered during the question period, fall by the wayside. My suggestion is that the question be allowed and that the minister be allowed to reply. Perhaps the hon. member might repeat his question.

Mr. Marshall: Since we are on motions—

Mr. Speaker: Order. We are not on motions. I distinctly asked whether there was unanimous consent of the House for the purpose of hearing the minister. This was done, and now we are not on motions. However, the hon. member might seek the unanimous consent of the House to revert to motions for the purpose of hearing a statement along the lines he has just suggested.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Marshall: If that is agreed, I would ask the minister to take this opportunity on motions—

Mr. Speaker: Order. Let us try to be clear. There was not consent to return to motions. What the hon. member is now asking is whether the minister would consider making a statement on motions.

Mr. Marshall: I will ask the question. In view of the fact that at least four draggers are still fishing off the southern coast of Newfoundland within the twelve-mile limit and even within three-mile limit—I was there yesterday and saw it—would the minister clarify the situation with regard to the limits and what action is being taken to make these restrictions stick?

Hon. Jack Davis (Minister of Fisheries and Forestry): My answer is the same as it was yesterday. The answer is yes.

Some hon. Members: Yes what?

Mr. Marshall: A supplementary question—

Mr. Speaker: Order. I suggest to hon. members that we are now going beyond the terms of reference given to the Chair a few moments ago. Is the House prepared to hear a supplementary from the hon. member?

Some hon. Members: No.

Mr. Speaker: There is no agreement. I will make it a point to recognize the hon. member early in the question

period tomorrow, perhaps at the opening of the question period to give him an opportunity to ask the question.

Mr. MacInnis: On a point of order, I realize that a minister is not required to answer a question, but surely if a minister takes it upon himself to say "yes" in answer to a question he ought to tell the House what the "yes" refers to. Does he intend to take the action requested by my hon. friend?

Mr. Speaker: Orders of the day. Is the hon. member for Gander-Twillingate rising on a point of order?

Mr. Lundrigan: Mr. Speaker, before the Secretary of State for External Affairs leaves the House—I have no point of order.

Mr. Speaker: Order. I recognize the importance of the matter raised by the hon. member but it seems to me we would serve the purpose intended by both hon. members if tomorrow, when there is good feeling in the House, we allowed them to ask their questions immediately at the beginning of the question period so they can get the information they require. At the same time I see the minister is here. Perhaps the hon. member for Gander-Twillingate might be allowed a supplementary.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I want to be very responsible and indicate the urgency of the problem, which is amplified by the fact that 40 draggers were reported yesterday within five miles of our coast in our territorial waters. So, this problem is serious and urgent. I should like to ask the Secretary of State for External Affairs whether he would be prepared to seek the unanimous consent of the House, in view of the fact that unanimous consent was not granted my colleague, to return to motions in order to make some kind of clarifying statement on what Canada has done, which countries have been alerted to the declaration of the Minister of Fisheries, what has been the response, and how soon we can get application of the fisheries declaration made two days ago before we run into a serious international incident?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can say on behalf of the minister of Fisheries and Forestry and myself that we will both be in the House tomorrow, that we both have notice of the questions we have to answer and we undertake to do so.

Mr. Marshall: Mr. Speaker, a point of order, since both ministers will be in the House, would they ask the Minister of National Defence to give an indication of what air surveillance—

Mr. Speaker: Order. That is not a point of order. I suggest that both hon. members have been given quite a bit of leeway to make statements and to ask questions. I have co-operated with them far beyond the requirements of the usual practice of the House. I will now call orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Wednesday, March 3, consideration of the motion of Mr. MacEachen (for Mr. Benson) that Bill C-225, to amend the Income Tax Act and to amend an act to amend that act, be read the second time and referred to a Committee of the Whole.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, last night during my speech I witnessed a spectacle unique in its way when I rose a few minutes before six to express my opinion on the matter before the House, namely Bill C-225, to extend the application of the 3 per cent surtax. I felt a tide of protests rise from every corner of the House as if I did not have the right to oppose strange agreements, to say the least, whereby the bill would be put to the vote before six o'clock in order to have it referred to the committee of the whole.

I wish to be believed, Mr. Speaker. I was not aware of those tacit agreements, if indeed there were any, and even if I had been aware of them I would not have approved of them because—and I said so yesterday evening before the adjournment—we cannot accept to extend for another year a surtax which we have always denounced as unfair and against which we had decided in 1968. We do not even want the bill to reach the stage of the committee of the House.

That is why we object right from second reading, not for the sole purpose of uselessly extending the debate but to let the people of Canada know not only where their taxes go but also how they are taxed.

Here, Mr. Speaker, I call the attention of the House quite especially on a remark, unkind to say the least, made last night by the Acting Speaker while he probably commented on my speech.

Mr. Speaker, I wanted to make this the subject of a question of privilege but in order not to delay the proceedings of the House, I thought it would be better to call your attention on that during my speech because I knew that I would have the floor as soon as the debate resumes.

Hon. members may read on page 3937 of yesterday's *Hansard* what was said by the Chair. I cannot let such odd go unnoticed. When the House adjourned, here is what the Acting Speaker (Mr. Richard) said, and I quote:

> I must say that this House today reminds me of my family motto, "Sat seto si sat bene"—which roughly translated means "let us proceed slowly, but surely".

Mr. Speaker, I strongly protest because if it had been a member of the Liberal Party who had been speaking at that moment, the member for Ottawa East would probably not have made this comment. This is why—

Mr. Speaker: Order, please. I believe that the remarks of the hon. member probably go beyond his thoughts. I am aware of the incident he mentions and I can assure him that the hon. member who sat in the Chair certainly

had no ill intentions and I am certain that the motto he quoted was in no way directed at the hon. member for Roberval.

I believe that in quoting his family's motto, the hon. member for Ottawa East wanted to refer to the business of the House in general rather than the contribution of the hon. member. As a matter of fact, I am convinced that he did not intend in any way to say anything of an offensive nature to the hon. member for Roberval.

Moreover, the hon. member for Roberval knows that the hon. member for Ottawa East who is one of the most respected parliamentarians, would be the last to say unkind things to any of his colleagues. I want to assure him that the hon. member for Ottawa East had no such intentions, and if the hon. member for Roberval has construed his words in such way, I would like to apologize on behalf of the Chair.

• (3:10 p.m.)

Mr. Gauthier: Thank you ever so much, Mr. Speaker, for your kind words and you may be assured that I have always had the greatest respect for the Chair. I would not want to be forced to entertain a regrettable opinion contrary to the one I have always had regarding the Chair. Let us say that the matter is now closed but I definitely had to raise this point which was on the record. It is said that the spoken word is forgotten but that the written one stays. Then, that being written I could not read the innermost thoughts of he who was the Chair. However, I wish to thank you most sincerely and you may rest assured that I shall continue as always to have faith in the Chair.

When this so-called social development surtax was applied, the government promised it would be in effect for only two years, just long enough to fight inflation, as we were told then. And now a continuation of its application is being sought for another year, that is until 1972.

Just for another year, and another year, and another year. The population just have to swallow those increasing taxes, mouthful after mouthful. We know the old party line and what an Indian would so aptly call their forked tongue.

The most striking demonstration of this fraud was given us during the Second World War. As everyone remembers, the government seized this golden opportunity to borrow from the provinces three of their fields of taxation, thus robbing them of all revenues, of course, formally promising to return it all at the end of the war.

The Liberal government, like the one we now have, committed a breach of trust against the provinces. More than 30 years have elapsed since that momentous promise, and the provinces are still waiting for the government to return their tax fields. Not only that, but they continue repeating every five years what is being asked of us today, an extension designed to bring the false promises, making the provinces even more dependent on the federal government.

What is most alarming and most unexplainable, is the practically approving silence of the Progressive Conservatives and of members of the New Democratic Party. That is why I hope they will take the floor today and explain their attitude. When it comes to levying a new tax or extending its application, I wonder what keeps them in their seats. They probably think about the government. They have been told so many times that there were only two ways in which to govern a country, that is to say through taxes and loans, that they feel powerless in front of this myth, entirely invented by financiers in order to get us under better control.

As for us, Créditistes, we do know that this should be the last recourse for a sound and logical government. Consequently, we understand the existence of taxes and loans for a poor country like India; but we cannot do so for a rich one like Canada. There is no accounting for it, unless it should be a patent robbery of our heritage, with the complicity of the government.

Indeed, we can compare a country to a family farm, to simplify things. If the family farm yields fair profits, its owner and the whole family take advantage of it, provided that a thief should not find its way inside and take off with the whole production. Canada is the third most productive country in the world and it has the lowest population in relation to its size. Its owners which should be the people of Canada, must benefit from those resources. But it happens that a burglar, that is high finance, gains entry into the country and takes over the best sources of income. The people must therefore resort to taxes and loans to carry on their administration. That results in deprivation for our people, indebtedness, unemployment, and all its consequences.

We pay $2 billion per year for interest alone on a fictional national debt because the Bank of Canada has never fulfilled its function. We pay social development taxes, unemployment taxes, social insurance taxes, national administration taxes, and we continue to let ourselves be robbed by a "supergovernment", which is antisocial and which will bring about our social and economic ruin.

I wonder if our good old parties will finally realize the monstrous character of our false financial system, which allows those who control the economy to loan more and more at unlimited rates, as the government has removed cealings in the last few years, thus authorizing colossal interest rates affecting mostly low-income people. In fact, I had discussions with important financial institutions in order to find out the reason for the difference in rates, as each of these companies has a separate rate scale. I was told that the greater the risk, the higher the interest rate, which means that the borrower who is least able to pay has to be charged the highest interest rate. And I was stupefied to see that the low-income worker unable to supply much collateral had to pay 10, 15 or 20 per cent more than people highly rated by big financiers.

• (3:20 p.m.)

And when it comes to taxes, such as the one it is intended to extend, the average wage-earner is once again the most hard hit. When will the government be humane enough to recognize that the average citizen is unfairly treated? When will it decide to withdraw once

and for all those taxes which take away the required purchasing power from our Canadian families?

The government should refrain from taxing the necessities of life and to this end, it should raise the tax exemption for married people to $6,000 and for single persons to $3,500. It should abolish the 11 per cent sales tax on building materials, to enable low income families to own their home too. In addition, it should not extend its temporary taxes.

I ask the government and the other opposition parties to put a stop to this constant extension from year to year of a tax which is permanent, even if it is referred to as being temporary.

At this condition only will we give the population justice and this is the only way to allow the average Canadian to participate also in the economic recovery so desired by the government by investing in our Canadian companies instead of having to sell them to Americans because the people are too much in debt.

There is evidence that we hold the world record for indebtedness for the simple reason that our financial system is based upon indebtedness and our so-called money is debt money. The more we develop, the more debts we create and as evidence of this, I shall quote an article published in *La Presse* on June 29, 1969 under the title: "Les Canadiens sont deux fois plus endettés qu'en 1960". The same thing could be said for each year. Here is a part of that article:

> Some $9,200,000,000. That is the total indebtedness of Canadians as at the end of 1968, excluding mortgages.
>
> It is an increase of almost $700,000,000 over the preceding year and double that of 1960.
>
> Neither bankers, nor finance companies, nor economists can yet see a limit to the Canadian credit upsurge. They do not even discern any sign of it levelling off.

Far from it, Mr. Speaker.

I was reading in a financial publication yesterday that banks had made unprecedented profits in 1970. I think this success is due to the protection the government has extended to them through removal of the ceiling on interest rates. In fact, the money these banks are lending is altogether created since they are entitled to lend 14 times the equivalent of their actual assets at interest rates of 10 or 11 per cent.

Mr. Speaker, is it any wonder that ours is the most indebted people in the world?

Can the economy be stimulated through new taxes slapped on the back of the workers? Or is it feared that the worker, unless he is saturated with taxes as he is today, might yet lift his head to pit himself against the giants of Canadian and American finance?

Can the government at least give us a logical reason for those taxes that the people cannot digest any longer? But no! The Minister of Finance (Mr. Benson), in all his arrogance, so ordained, and the people must pay. The government, strong in its absolute parliamentary majority, blinded by its victories over the people, cannot feel the tremors under its feet.

We keep giving warnings. There is a limit to everything, but our voice gets lost because they are high on power.

In olden days, serfs where whipped or men were chained. Today, they are squeezed under the steam-roller of taxes and surtaxes. It is more sophisticated, but all the more cruel because human beings are thus very often led to commit suicide.

Mr. Speaker, I need not repeat that we are against that extension, that we no longer want those ridiculous extensions, and we insist that the government simply withdraw this bill, and not refer it to the standing committee for consideration. Now what is there to consider in this bill? Nothing at all. It is at most a formality which will allow this bill to be enacted.

Yesterday, I met a member from the official opposition who told me: We are not going to speak on second reading, we are going to let the bill go to committee and are going to speak on third reading. Well, it will be too late. It is being discussed on second reading as a joke, because there is absolutely nothing to discuss in it.

And what shall we do on third reading? As always, the government will call the vote and the bill will be passed and the people will once again be the victims.

Mr. Speaker, I do not want to be party to these taxes and surtaxes, and I ask the government to keep for once, if it never did, its promise and to drop this legislation which was to stay in effect for only two years. Let us be assured that the people, the workers—because this legislation again affects only the average worker—have had enough of paying the surtax for two years and will not allow it to be extended.

• (3:30 p.m.)

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, Bill C-225 purports to extend for another year the 3 p. 100 temporary surtax imposed in 1968.

Ever since then, the government has tabled each year a similar bill, which leads me to believe that they are not acting fairly towards the Canadian taxpayer; this procedure is tantamount to making a permanent tax out of a temporary one.

In my opinion, if matters were dealt with in a like manner by municipal governments, of which I was a member for a part of my life especially at the rural level, no taxpayer would trust the administrators at all.

When the Minister of Finance (Mr. Benson) brought down his supplementary budget in December last, he clearly stated and I quote:

> In order to meet our cash requirements for the coming year, without resorting to excessive borrowing on the market, the government proposes that the 3 per cent surtax on personal and corporate incomes be extended for another year. The receipts from this tax are estimated at $245 million for the 1971 calendar year.

This means that individuals will have $245 million less in purchasing power, as well as corporations, to further develop industries and give employment, if possible, to Canadian workers.

In order to fight unemployment effectively, the government should instead reduce taxes, which would result in leaving more purchasing power in circulation and allow an economic recovery.

Last January, the president of the Royal Bank of Canada said: Governments must make up their minds to reduce taxes. But to what level of government must we appeal for this reduction in taxes? The needs and the tax receipts of the provinces keep increasing. He added and I quote:

> But this is not the case of the federal government, whose actual financial requirements increase at a much lower rate. However, Ottawa wants to keep the lion's share.
>
> An example is the 3 per cent surtax which was to disappear at the end of December. Mr. Benson decided to extend it, which is no way to restore confidence among the economic representatives—
>
> And what about the 11 per cent tax on building materials! If Ottawa removed or at least reduced it, this would certainly spur the building trade and, by the same token, many other sectors.

Therefore, if this would give a new impetus to construction, create jobs, provide employment, all the more the repeal of the 3 per cent surtax would give the same results.

Are municipalities in a position to reduce taxes when you consider that they have to borrow at rates up to 9½ per cent?

I will cite as an example the very recent borrowings made by the city of Montmagny, in my constituency. The city borrowed at 9½ per cent on short-term bonds, from 1971 to 1980, and the loan was made for water and sewage works. This is what is happening in a Quebec municipality. I can refer to another municipality, Saint-Camille which is also in my riding, and which just borrowed for sewage works, at 8¼ per cent over 40 years.

Mr. Speaker, when one examines the proportion of our municipal budgets which is allocated to debt servicing, one can appreciate that the average debt servicing for municipalities, in Quebec at least, represents approximately 39 per cent of the budget.

This is why we, of the Ralliement Créditiste, have time and again urged the government and the House to grant interest-free loans to the provinces and municipalities in order to enable them to undertake public works without overburdening their budgets, thus promoting an economic recovery and the setting up of facilities designed to ensure a normal development.

We always get the same reply: With this system of yours, your money will no longer be accepted in other countries. But only last November, while I was attending a United Nations meeting, I went to a restaurant to have breakfast with my hon. friend from Laval (Mr. Roy). We were served a 75-cent meal, and the hon. member for Laval gave a 25-cent tip to the waitress, who, having ascertained that it was a Canadian coin, rejected it disdainfully, saying: "No good money".

The incident goes to show that we don't have to put a Creditiste administration into power in order for Canadian currency to be rejected abroad.

I shall go still further, speaking of loans without interest. On June 18, 1970, a question from my leader, Mr. Caouette, asking how much had been loaned to countries in Africa, Europe, etc. during the past five years, elicited the following reply: There have been 97 loans totalling $419 million. And for what purposes? The loans to Jamaica was for construction of a sewage system, of the type built in the province of Quebec, such as we build in Saint-Camille, Montmagny and elsewhere, but with loans at 9½ per cent interest, while over there loans are granted at ¾ per cent and repayable over 50 years, and if at that time people cannot pay they are granted a further ten year's grace.

Mr. Speaker, this is why I am against this new one-year extension of this 3 per cent surtax on individuals and corporations, because it is possible to find money otherwise. While the federal government is able to take such a step, municipalities and provinces cannot profit by these advantages since they are not allowed to do so by the central government.

For 1970-71, the total amount of taxes paid by individuals will reach some $5.5 billion, which means that the 3 per cent surtax will affect them enormously. And it will be even more for 1971-72.

For the same period of time, the state will pay $2 billion in interest on the public debt, a large part of which is due to those who control the credit of Canadians, because they have a monopoly in this field, as the government allows them this possibility.

So, in 1970-71, through taxes on personal income the government will receive $5.5 billion and through corporate taxes $2.5 billion. So the 3 per cent surtax will have fairly substantial effects on the Canadian taxpayer; this will discourage him and will also increase financing problems not only for individuals but also for corporations. And that is why the unemployment rate is rising week after week and month after month.

• (3:40 p.m.)

We should eliminate waste such as we experienced in the case of H.M.C.S. Bonaventure where Canadians paid for repairs amounting to $17 million while the estimate had only been $8 million, as recorded in Issue No. 20 of the Standing Committee on Public Accounts. Well, this vessel on which $17 million were spent in the way of repairs was sent to the scrap yard and practically given away.

We could lower taxes and distribute a social dividend periodically to relieve the destitute, and this could be done with such savings without having to resort to increased taxes.

Two Canadians out of five are destitute.

How can we do otherwise than to qualify as poor the individuals who are compelled to subsist on $1,500 or $2,000 per year or widows with five children who have to live on social welfare payments amounting to $2,160 per year? In addition, in the province of Quebec, investigations are now carried out in those families. Inspectors check the wallets of welfare recipients and look if they

have refrigerators. This is not going on in China, but in the province of Quebec in Canada.

The real thieves should be sought and one should leave alone the poor people who are constantly worried and wonder if they will be able to continue to pay their taxes, their insurance premiums, their school and municipal taxes. I witness such cases every day and every weekend I get more than I can handle. It is my duty to look after them and to raise the matter in order to draw the attention of the government and convince it to do something for those people.

The poor are often called underprivileged. They have been disinherited. They are denied their status of joint heirs to the national wealth we possess in Canada, a right equally shared by all citizens of the country. They should co-inherit the progress that is the main factor of modern production and be entitled to a share of the production resulting from that progress.

If the returns of production are distributed only among financial backers and employees, that means that the share of the underprivileged went to financiers and wage-earners. By taking from these through taxes to assist the underprivileged one does not reinstate these underprivileged in their rights; these allowances leave them with their status of underprivileged and welfare recipients, whereas they should be recognized as joint heirs and joint social capitalists, receiving a social dividend, not as assistance to indigents, but as money due to capitalists. This would be an "operation dignity" ensuring every member of society some degree of economic security, a standard of life proportional to the volume of production, without suppressing the remuneration of those producers who develop the community's capital.

Technical advance would no longer be detrimental if it did away with jobs. On the contrary, the social dividend, ensuring to all a certain standard of living geared to production, and not only to employment, increased mechanization and automation, would free the people and enable them to pursue activities other than the economic function of man, instead of creating new material needs and maintaining work as the sole source of revenue.

Mr. Speaker, this is not the first time that we have asked in this House for a financial reform with a view to freeing the government from the bondage of credit controllers. But the government always refuses to act.

To my knowledge, since 1968, four motions asking for the passage of legislation to guarantee all citizens a minimum income have come before the House. On four occasions, the old-line parties leagued together to vote against those motions which, some day or other, will have to be passed. And the sooner the better. The more there are delays, the worse the problem gets; the more the people are dissatisfied, and the more we witness situations which become more and more nerve-wracking.

The situation is worsening from day to day, as I said earlier. We now have 142,000 unemployed graduates, for whom the state spent considerable sums of money, and whose parents made sacrifices to keep them in school, often by working late at night.

Because of a derelict financial system that is out of line with modern activities and opportunities of 1971, our Canada is now depriving itself of the advantages brought about by the activity and know-how of those 142,000 graduates not mentioning 400,000 other healthy persons who are unable to be of service to their country.

In addition, we are informed that the situation might possibly deteriorate during summer or autumn when waves of new graduates from universities, trade schools and CEGEPs will swell the ranks of educated unemployed. And yet, in December 1970, we had tabled a motion in the House and initiated a debate on the grave subject of the unemployed in the 18-25 age bracket. What did the House do? We played around, as we are doing today, we are not interested in this fundamental matter. This is a small two page bill, but none the less a bill that involves $245 million over the next fiscal year.

Mr. Speaker, where are the people's representatives? I am convinced that the ministers are acting in good faith. But, I wonder about one thing: during the war the administrators were efficient and in spite of numerous material difficulties, lack of manpower and lack of supplies, they succeeded in administering Canada and in allowing every Canadian to pull through. We lived then through a boom period.

These same administrators, once war was over, have become incompetent. When we talk about the unemployment problem, they say: Wait, we have magic formulas on the way. Wait, we will soon have solutions!

• (3:50 p.m.)

As recently as yesterday I asked the Prime Minister (Mr. Trudeau) about it and he answered: When the time comes, we shall state our position.

Like serious people and sincere Canadians we should take the necessary steps right now to put finance at the service of men so that the government may stand up to credit controllers and give better service to the people. Let us not forget it is time to act. Let us not wait until somebody hits us on the head to make a decision, for as early as 1936, an eminent sociologist said in a lecture he was delivering here at the University of Ottawa: Lastly, if you do not want Communism, take to Social Credit. You will thus have a terrific arm against those enemies.

Mr. Speaker, that is truer in 1971 than in 1936. We have gone a long way since then but not far enough to free ourselves from the financial control over governments that prevents men of good will, not only in government but also in industry, business, external or internal trade, in short in all fields where men of good will give their best, from contributing to Canada's development and helping free Canada from that financial influence.

The more Canada grows, the richer it gets, the more Canadian people are told: Deprive yourselves, live like the poor. And there are more poor people all the time. That is not normal and it is for that reason that I am taking a firm stand today by opposing with all my might the extension of that 3 per cent tax that will make the problem more serious instead of solving it.

Income Tax Act

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I cannot miss this opportunity to make a few brief remarks on this bill.

We are now considering a bill respecting the 3 per cent surtax, the so-called "social development tax", which had been introduced on a temporary basis only.

When the present Secretary of State for External Affairs (Mr. Sharp) was Minister of Finance, he assured the House when proposing this tax that it would be applied for a limited period of time. This is what is hateful about this tax: it is becoming more and more permanent.

If I remember well, when this measure was introduced by the Minister of Finance I suggested that this tax would become permanent. As the months and the years go by, I think the events are proving me right.

And here what is worse: this social development surtax, a designation that makes it all the more hateful, has made it possible to take about $200 million from the Quebec taxpayers.

It was argued that this was to facilitate the implementation of the medicare legislation and we know that the adherence of Quebec was delayed by one year.

This tax is the reason why they took $200 millions in Quebecers' pockets. The then provincial government, as well as ourselves in the opposition, asked the Minister of Finance to make good to the province of Quebec this amount collected I would not say in an illegal manner, but in an irregular one. But the government ignored our representations and those of the provincial government, and one may wonder whether it was not because the latter was of a political allegiance which failed to please those individuals who rule the country.

At any rate, Mr. Speaker, I say that in imposing this 3 per cent surtax, this government has been far from straightforward, for they stressed the temporary nature of what is now considered to be a permanent surtax. With this kind of action on the government's part, there is deception in the general public as well as a tendency to mistrust the nation's leaders.

Measures and positions like the ones now before us are largely responsible for the lack of confidence in the country's government which prevails within the population.

This legislation is also impeding the economic expansion of our country. Every once in a while the government, through the Prime Minister, the Minister of Finance (Mr. Benson) or some other minister tells us that there are programs being implemented to solve the unemployment problem. However, a measure like the one now before the House will only serve to increase unemployment and I think the government should drop this arrogance, this impression which it is giving to the whole population that he knows everything. Instead of that, he should follow the advice of opposition members who are somewhat closer to the people than those now running the country.

I therefore urge the government not only to postpone the tax, but to eliminate it immediately. By so doing it will have taken some concrete action toward creating real employment opportunities because, with unemployment increasing at the present rate, it can be feared that the coming months hold in store a situation even more alarming than the one we now face.

On behalf of all moderate income citizens and workers of my riding, I therefore urge the government to assume its responsibilities and stop deceiving the population, to whom the assurance had been given that this 3 per cent surtax would be temporary. Let the government find ways and means of meeting its commitments and eliminate this tax within the shortest possible delay.

• (4:00 p.m.)

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, Bill C-225, now before us, is to amend the Income Tax Act and, in practice, its aim is to extend for one more year the 3 per cent surtax.

Hon. members will recall that when this surtax was imposed, it had been mentioned that it would be temporary only and that it would be recalled at the end of the year. And here we have its third renewal! It is the third time that Ministers of Finance ask the House to renew this so-called temporary tax. It is to be wondered whether it is the only possible and valid step in the circumstances. A temporary legislation has been turned into a permanent one.

It will be recalled that, when he brought down his supplementary budget on December 3, the Minister of Finance (Mr. Benson) indicated that he intended to ask for an extension of this 3 per cent surtax on individual and corporation taxes.

Although this bill is not very elaborate, it includes, in my view, two important features which are in conflict with one another. On the one hand, the Minister of Finance would like to use taxation to stimulate the economy and, on the other hand, he proposes a measure that not only has the opposite effect, but will, to some extent, reduce the purchasing power of Canadian taxpayers.

I seriously wonder whether, in making this choice, the minister was motivated by political or economic reasons. If I have doubts it is because the bill under study includes two different decisions that lead us into completely opposite directions.

On the one hand, the minister proposes tax exemptions to stimulate investment and, on the other hand, he asks for the extension of the 3 per cent surtax. Those are two completely contradictory decisions. I wonder if in taking this decision the minister did not only consider the increase in tax revenue that this measure will bring in for the current year and which may reach $245 million. Obviously it is emphasized that tax exemptions of $25 million will be granted to companies and individuals that will increase their capital investments for the manufacturing processing of goods. But who will benefit by this measure besides big companies which invest continually and do not have to postpone projects for lack of available funds? How many taxpayers will really benefit by the increase in depreciation rate proposed in this bill? Very few. Only privileged people.

Moreover, the effect of this measure will be to increase further company reserves which are already too high in my estimation. I think that I can detect in the minister's decision his true choice which has a political rather than an economic character. By this decision, he enables large corporations to deduct $25 million from their income tax.

At a time when it would have been advisable to increase the total purchasing power of the people, the minister has made the wrong choice in extending the 3 per cent surtax thus depriving the people of $245 million.

I do not think that it is necessary to quote statistics on employment conditions in order to prove that the situation has not improved since December 3 last.

Even if the hon. minister declared recently that the number of unemployed should start declining after March, he certainly meant that the return of milder weather would be more efficient than the measures taken by the government to solve the unemployment problem.

To realize the situation one has only to check newspapers every day and one will learn about numerous layoffs in all sectors of industry. Nobody knows whether he or any member of his family will be unemployed tomorrow or next week.

There is no need to compare statistics or to play with figures to be able to say that things will be better tomorrow or worse in a week. We only know that too many people have lost their jobs and that unemployment has tremendous social and economic consequences.

I feel that the solution to an economic ill must be economic in nature and not political. To my mind, the minister chose a political solution.

The 3 per cent surtax we are asked to extend would remove an amount of money that should remain in the economic circuit, to sustain the demand for consumer goods. By sustaining it, at the same time we allow industries to continue producing, and service industries to pursue their economic activities, the result of which is to maintain or increase employment.

The taxpayer who lacks purchasing power buys less. The manufacturer produces less and, as a result of lower production, he lays off workers, and the cycle continues.

Such are the effects of the legislation proposed in Bill C-255 and other simliar ones. And one wonders how it is that results different from those anticipated are brought about. The present results, that is unemployment and underemployment, are not due to chance, but to a series of unconsidered decisions like that which is now proposed.

All taxes, whatever they are called, take away purchasing power from those who are hit by them. In particular, this tax will take $245 million from the taxpayers this year. That represents $245 million, at a time when it would have been necessary to inject supplementary capital in the economy in order to get it going again and to give new confidence to the people. With one hand, the minister collects a certain amount of money under the pretext that he must meet Treasury needs, and with the other, he allows an increase in the capital cost allowances on the purchase of equipment or production assets. Once again, the citizen is forgotten to the benefit of companies. If this choice is not political, I wonder what it is!

We have been repeating for a long time, in this House, that the real problem is not at the production level, but at the consumer level. Our production system is without doubt able to supply all the goods needed for the welfare of the population, but the same cannot be said about the ability of the population to control production.

The minister still has time to withdraw Bill C-225 and to give up the extension of the 3 per cent surtax for another year.

I am sure that this decision would be well received by all Canadians. It would renew confidence in the economy of the country. We might see, during the following months, an economic recovery. Employment conditions would improve, and the minister would easily recover the $245 million, because he would not have to increase the government outlays for social welfare. Furthermore, the people returning to work would contribute to the tax receipts through income tax and various other taxes.

• (4:10 p.m.)

When the economic activity slows down, the government's tax receipts decrease also, and this is normal. The measure brought before the House by the Minister of Finance will contribute to increase taxes.

It seems to me we have had enough tax increases in Canada during the last ten years. The Canadian people are already overtaxed. From 1955 to 1965, tax increases at all government levels reached 41.4 per cent in Canada. There is no need to look far for an answer to the employment problem.

Whether we like it or not, all taxes are finally included in prices. That is why we must face constant and unreasonable price increases.

Who must pay for those price increases if not all consumers? Workers, people with a fixed income, low income groups are those who suffer the most from such increases, because every time prices go up, they have to do without some necessities.

Those who have an above average income are practically not affected by those increases, because they hold influential positions or operate at the management level. Those people often hold positions in manufacturing and trade. They can thus simply increase the price of their products or services. When they increase their prices, they improve the occasion sometimes by killing two birds with one stone, that is, by availing themselves of the latest price increases to increase their profits.

Who would not be tempted to do the same since our economical system is a jungle where the strongest makes its own law and is an absolute master? If the minister had taken some other course than to extend the 3 per cent surtax through Bill C-225, I would have been very surprised, because there is nothing he would not do to fight inflation.

For two years, the government deliberately restricted the Canadian economy and this led to a recession. Overnight the government, through the Prime Minister (Mr.

Trudeau) and the Minister of Finance (Mr. Benson), asserted that inflation had disappeared. However, during January, food prices in Quebec increased by about 2 per cent.

How is it that on December 3 they said that inflation had been checked and the aim was now to have unemployment disappear? It would have been more sensible to make sure what the genuine causes were before taking steps that led us to a dead end.

What about the fight against unemployment? It would have been better for them to keep silent, because since it was referred to, the number of unemployed increased by 200,000 and a considerable number of plants have closed their doors or reduced their business operations to such a level that they lose money every day.

This bill should be withdrawn immediately. This is hardly the time to impose new taxes. I believe that measures aiming at an injection of additional purchasing power should replace Bill C-225 now before the House. The measures taken should not slow down the economy but restart business.

Repeal of the 3 per cent surtax and of the 11 per cent tax on building materials was requested by all the representatives of the labour force and the expert spokesmen for the industrial, commercial and financial quarters.

Again I ask the Minister of Finance to withdraw his bill aimed at extending the duration of the 3 per cent surtax.

[*English*]

Mr. Max Saltsman (Waterloo): Mr. Speaker, some days the Commons chamber seems a little unreal. Outside in the country almost three quarters of a million Canadians are looking for work and experiencing the frustration of not being able to find employment. Inside this chamber, men of reason are gathered together to discuss a tax bill which is supposed to deal with this situation. Although the House can get angry and bitter on occasions, very little anger or bitterness is apparent today. In no way does the anger and bitterness felt outside the House permeate these walls.

We, as members of the opposition, appeal to the government to recognize what is happening and bring in measures which will be effective in reducing unemployment. Up to this moment, regretfully, we have not been successful. The Minister of Finance (Mr. Benson) is in his place most of the time. Perhaps he is behind the curtain now; I saw him only a little while ago. I am sure he says to himself: Oh, the opposition always talks, and no matter what we do they always complain. Thus, he lulls himself into a sense of complacency.

We are honoured today by the presence of a former minister of finance, the Secretary of State for External Affairs (Mr. Sharp). So, in a way, there are two ministers of finance present in the House today while we debate one of the most crucial issues of our time. Yet, there is no response from across the way. They are quite convinced in their own minds that what they are doing is the best of all possible courses. They get very angry when we on the opposition benches say the government has deliberately set out to create unemployment. The Prime Minister (Mr. Trudeau), and other ministers, have said to the Canadian people on various occasions: how could anyone believe that we would deliberately create unemployment? They have worked out a little drill. They say they have done what they have done in order to avoid unemployment. In other words, they are throwing people out of work so that they will not be out of work. Well, they may be able to understand this reasoning but I find it difficult to do so. They say: If we had not done these things, conditions would have been worse. Of course, we have no way of knowing whether or not this is true.

The fact of the matter is that the government has made one of the most fantastic economic errors in the history of this country. They have failed to understand what is happening, and three quarters of a million Canadians are paying the price of their folly. The other day the Prime Minister had to admit before the Canadian Labour Congress, that had he known some of the things he knew later he might have brought in somewhat different policies. Perhaps anger is out of place here. We are reasonable men who come together to debate. After all, Parliament is a substitute for anger, a way of avoiding warfare and violence. This is the place where we can discuss these questions and, hopefully, come up with reasonable answers. Despite the fact that it has admitted making a mistake, the government puts forward no proposals designed to repair the damage, to get the economy going again. Hon. members opposite cannot make up for the hardship they have caused, the loss of human dignity. But at least they ought not to perpetuate it. They could take measures to get the economy going again. They have brought in measures which, they say, will move us in the right direction. Well, there is something to be said for not moving backward. Even a small step forward has to be appreciated. But we cannot be satisfied, faced with a problem of this magnitude and the suffering which is going on.

For a moment I want to leave recrimination aside. History will pass judgment as to whether the government deliberately created unemployment or not, or whether it simply goofed. The point is, what shall we do as a Parliament for the three quarters of a million Canadians who are out of work? The government points with pride to its export position, to the fact that we are exporting more than ever before. This is true, but what good is it when so many of our people are out of work? The fact that we are exporting at the present rate has raised the value of our dollar and hurt our manufacturing industry where most employment is concentrated. We have the worst record of employment in the western world, as well as the slowest growth. As a return for having created this situation, we have somewhat reduced the threat of inflation below the level it might have been.

• (4:20 p.m.)

To combat this unemployment, the government is proposing a measure to increase depreciation allowances from 100 to 115 per cent. I want to deal with that matter

in particular since it does cast a great deal of light on how the government views the situation and sees its priorities. What the government is really saying is that with an increase in depreciation allowances the road to recovery will be paved with increased profits for business, because that is really the effect of increasing depreciation allowances. There is the thought on the other side that if we are going to recover, slow though that recovery may be, the way to do so is to increase business profits and to show businessmen that more money is to be made. This, therefore, will stimulate capital expenditure, which in turn will stimulate the economy and employment will result. The point is there is no evidence that indicates that this in fact is going to happen, or that this particular kind of economic reasoning is any less disastrous than the economic policies that put us into this bind in the first place.

I should like to give the House some of my reasons for feeling as I do about this matter. First of all, if we look back to our periods of prosperity and examine the circumstances that motivated business, we will almost certainly find that the real stimulus to employment has always been increased purchasing power on the part of the consumer. Business is not going to expand even if you give business increased capital allowances. Some businesses are going to expand anyway, and it is a nice bonanza for them. We can kid ourselves later on that this expansion might not have taken place if we had not taken that step. The same can be said of the designated area program. Industry went into these areas, but we will never know whether industry went there because they were going there anyway or because of the giant hand-outs that we gave them.

As I say, there is no real evidence that these policies are effective. What we do know is that if people have needs that must be filled and have the means whereby they can pay for their needs, then businessmen will respond as they always have. After all, that is what business is all about. It is there to understand the demands made by society, and to provide the goods and services that arise as a result of those demands. Business cannot respond to those demands unless consumers have purchasing power.

It is for that reason that the members of this party, and I think this view is held also by all opposition parties, feel that it is purchasing power that has to be increased, not profits. My hon. friends to my left in the Créditistes have their own way of increasing purchasing power. I may not agree with that way, but they understand the problem, and in a way that the government does not. They know that the key to this problem lies in increasing the purchasing power of the people in one way or another. This is how you generate employment, and as business responds so you have business expansion.

Mr. Rondeau: There is no other way.

Mr. Saltsman: The other way that business responds, particularly in Canada, is in meeting needs that do not arise in our own country but in foreign lands. Unfortunately, too much business expansion has taken place in this direction. For instance, much of the mining resource expansion takes place not because it is particularly good for Canada but because other countries desperately need our raw materials. This is a rather disastrous kind of development, one that is going to be accelerated and encouraged by the increased depreciation that is being proposed.

Let us look at some figures that appeared in the newspaper a few days ago. The Iron Ore Company of Canada is trying to justify the expenditure of $2 billion to develop an iron ore mine. They have pointed with pride to the fact that something like 9,000 jobs will be directly created. By a rough and ready rapid calculation this works out to $300,000 per job. It is true that additional jobs are created at the secondary and tertiary levels, but this is true of all industries, not just the mining industry. If it costs $300,000 to create one job, then how is this country ever going to be able to create sufficient employment for the estimated 200,000 people who enter the labour force every year? There is not that much money available to this country to create those jobs. I suggest the argument that we do not have enough capital in this country to provide jobs for our people is not true; not only do we not have enough capital in this country but no country in the world has enough capital to create jobs that cost $300,000 each. This is why we have to import capital.

Then the argument is made that this two billion dollars that is brought into the country results in purchases. Although a lot of this money does result in purchases in Canada, a lot of it is used to purchase foreign machinery. Much of it is used to make payments to foreign countries. With a rate of return on capital of only 10 per cent, we are talking about a figure of $200 million that has to be paid out to foreigners on an investment of $2 billion. This is a permanent drain on our resources resulting from capital that we should not have imported in the first place.

The difficulty is that the bill before the House is going to encourage this kind of development, a development that should have been discouraged a long time ago. The chief benefit being offered in this bill is an increase in capital investment. The mining industry is investing twice as much in capital development as the manufacturing industry. If we continue to pour money at this rate into industries which export raw materials from this country, then not only are we exporting jobs but we are exporting our future wealth.

Some economists might argue that the people who work for the Iron Ore Company of Canada earn higher wages than, let us say, people who work in the manufacturing industry in the city of Toronto. I understand the average wage with the Iron Ore Company is $9,000. What these economists do not say, of course, is that it costs a great deal more to live in that kind of environment and to provide the social services required in order to maintain production of raw materials.

If you listen to the economics purists, their conclusion is that Canada would be better off if we did not have to provide jobs for these 200,000 people coming into the labour force every year. In fact, 200,000 is a low estimate

because in some cases I have heard estimates of as much as 300,000 jobs a year being required. So, these people will leave the country and emigrate to somewhere else. In fact, we have seen that happen. These economists argue: What is wrong if Canada loses one-third or even one-half of its population? What is wrong if we do not have any manufacturing industry? What is wrong if we just do the thing we do best, which is to pull our wealth out of the ground and send away our lumber, iron ore, asbestos and nickel? This would leave us with a population of 8 million or 9 million living on a somewhat higher standard of living with higher wages. In my view that would be a bad choice. A country which would try to build on those policies could not survive. Iron and asbestos are not renewable resources. If we do not develop capabilities and skills by generating the infrastructure which is necessary in this technological age we cannot survive as a country. This country is very much of a hinterland now, but under those conditions would become even more so. It is very much an adjunct of that mighty power south of the border. That is a forecast of our future.

• (4:30 p.m.)

The kind of tax policies being pursued by this government through the measure we are being asked to vote on today reinforce and sustain that kind of economy. There are areas where there should be accelerated capital cost allowances. The hon. member for Comox-Alberni (Mr. Barnett) spoke to me about specific problems affecting the logging industry of British Columbia. He pointed out that if this industry is going to modernize and compete with the logging industry in Oregon and other areas, we require rapid write-offs for that industry. I must say that he made a very compelling argument. There should be increased capital allowance in that particular industry. I am inclined to agree with him.

What I am saying is that if that particular industry needs help then we should give that help, but why should we make this a blanket proposition? We should not, in helping one industry, give help to a lot of others that do not need it but rather need to be restrained. This is something this government refuses to recognize. This government has a bias and a blind spot. It refuses to look at the economy with the idea of managing the affairs of this nation. I suggest this government was elected to govern this nation and to make management decisions. It was not elected to pass blanket bills in the hope that things would work out all right. The party that forms the government loves to think of itself in terms of managerial talent. The members of this government like to brag about the managerial capabilities of its members. They feel they have a divine right to govern because of the amount of talent sitting on government benches. The one thing this Liberal party refuses to do is manage, govern and make decisions.

This government brings in catch-all bills. They advocate depreciation right across the board and hope that in some strange way this will work out. The only thing that really saves the government is the fact that we have a strong economy which even the Liberal government

[Mr. Saltsman.]

cannot kill. Members of the government party cannot push our economy down even with their best efforts, because we have a growing and developing economy. Members of the government party have been looking at the wrong end of the horse and are confused.

I do not wish to conclude my remarks without saying what we in the NDP feel should be done. It is not enough to criticize, although I must say there are a great many things done by hon. members on the other side which deserve criticism. We should be making suggestions. We think there should be a tax cut, particularly at lower income levels. There should be a massive tax cut in order to stimulate the purchasing power of the majority of people in this country. This should be done not only as a matter of justice for those at the lower end of the scale, but in order to provide an economic stimulus.

The time has come for the government to fix the prices of basic commodities in our society. I have in mind those things required in production including power, copper, nickel and iron. The time has come for the government to use this method as a signal to other people in our society that this government intends to look at price increases. Instead of creating unemployment in a vain attempt to control inflation, the government should bring in positive measures to control price increases. There should be an immediate reduction in interest rates in order to rid ourselves of the embarrassing surplus in our foreign exchange reserves. This would avoid interest rates moving even higher than they are now. We can and should lower interest rates, and we should give some thought to fixing them at certain levels. If this is not possible, then the profits should be taxed. If we intend to have full employment and reasonable control over inflationary factors, to the extent that this is possible for Canada in the context of today's world, there must be an economic policy.

When we in this party refer to an economic policy, we are not talking about wage and price controls alone. There is no way the working man will accept wage controls without some form of price control. The Canadian Labour Congress has indicated its willingness to consider a wage and incomes policy, but has insisted that such a policy must also relate to all forms of income. We must recognize the need for mobility in our society. We should support efforts toward mobility. We should also support measures to obtain security for those people who have to be mobile. This is something we are not doing at the moment. When we move people from one part of the country to another or from rural areas into cities, we tend to forget about them. Very often there is no housing for them and no appropriate retraining. That kind of mobility is disastrous. We must have mobility, but let us have it with some kind of civilized outlook.

We must also recognize that if we are going to restrict the development of certain raw materials this will have a bearing on the development of certain provinces. It is all right for someone who comes from the province of Ontario, where most of the manufacturing in Canada is concentrated, to talk about deterring resource development. Some hon. members might say it is easy for me to talk in this way because I come from Ontario where

manufacturing is increasing. What about the people in the provinces of Alberta, British Columbia and Saskatchewan? The problems in those provinces are different. In many cases we have not been able to share the wealth generated in Ontario with other provinces, and this has created some resentment. If these provinces are to develop they must promote the exploitation of natural resources. There are a number of ways to change the situation. By using the Canada Development Corporation, we can increase industrial development through Crown corporations and partnerships in all parts of Canada.

We must support industry throughout Canada wherever it is possible to develop viable entities. The industrial revenues secured by Ontario should be distributed throughout the entire country in order that production is shared equally. We believe there should be an equitable distribution of the riches generated. The advantages of one province should be shared by other provinces. As long as the fruits of an industry are shared equally across the country, resentment will disappear.

My remarks have been sketchy and our time is limited during this debate. I have appreciated the opportunity to participate. Despite the calmness of our tone and the quietness of this Chamber, there is anger here and discontent. I think this Parliament should recognize that fact. It is still not too late for the government to withdraw this bill and substitute something more suitable to meet the crisis of this time.

• (4:40 p.m.)

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I welcome the opportunity to say a few words on Bill C-225. This afternoon I listened with interest to the speeches made both by the members of the Ralliement Créditiste and by the last speaker for the New Democratic Party. At the outset, I should say I am not really surprised at some of the statements made by the hon. member for Waterloo (Mr. Saltsman). His party, consistently and persistently, has screamed at big, bad business. Obviously, some of the members of that party have not read Robert Tyres book which I believe is called "Douglas in Saskatchewan". This book would seem to indicate that there are none so righteous as reformed sinners.

I believe the bill before us should be referred to the committee as quickly as possible. If it can be referred to the committee this afternoon, there are a number of reasons why I believe that is exactly what should be done. I find little argument with the proposal of the minister and his parliamentary secretary that capital cost allowances should be extended into 1972. I intend to be one of those who welcomes such a proposal, particularly if it benefits business in any way.

I should like to see the bill go to committee because I believe business in this country should have an opportunity to appear before the committee to express either its objections or alternative proposals in respect of a capital cost allowance.

Mr. Knowles (Winnipeg North Centre): It is to go to the committee of the whole.

Mr. Douglas (Nanaimo-Cowichan-The Islands): He does not know that.

Mr. Skoreyko: In extending the 115 per cent capital cost allowance into 1972, I think the government is being a little meagre. Normal industrial expansion or development takes place on a yearly basis, not merely because a particular corporation may want to take advantage of the 115 per cent capital cost allowance, so naturally this will more than offset any cost to the treasury as a result of this kind of concession. If the government really wants to assist business generally, and more particularly the construction business, it should immediately withdraw the tax on building materials. There is a chain reaction in respect of assistance to any business.

Some reference was made to the definition of businesses that will qualify under this program. Yesterday, as recorded at page 3924 of *Hansard,* the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) said:

> I might mention that the definition of a manufacturing or processing business and the description of assets qualifying for the supplementary allowance will be contained in regulations to be adopted soon after approval of the legislation.

Over the years, Mr. Speaker, you and I have watched situations in which days and indeed weeks have been spent on debating the merits and demerits of a given piece of legislation only to find in the end that the regulations which were drafted to put the bill into effect were so far removed from what Parliament intended initially that many Members of Parliament were left in complete bewilderment.

I say again that when this bill comes before the committee, I hope the minister will give committee members an opportunity to peruse the regulations. Then, not only the merits and demerits of the bill will be analyzed by the committee but also the regulations. As I said earlier, I agree wholeheartedly with the principle of assistance to business, but it appears to me the government seems to be giving a little with one hand and, in respect of future proposals, taking something away with the other. This kind of thing hurts. I would hope that some of the extreme proposals in the white paper, in so far as they affect the business community of Canada, would be withdrawn or given very serious consideration before being put into the form of legislation. I see no justification for the removal of protective tariffs on the importation of chemicals in the Kennedy Round negotiations of two years ago. I see no justification for compounding the problems of the chemical industry by pegging the Canadian dollar.

Perhaps at this point I might say something about the Minister of Industry, Trade and Commerce (Mr. Pepin). To use a western term, the Minister "shafted" the wheat industry real well when he had the responsibility for that department. He has done an equally good job on the petro-chemical industry in Canada through what I think might be fairly called most inept negotiations in GATT. I think the net result of those negotiations was a loss for the Government of Canada and, indeed, for some of the industries in Canada. I wonder whether businessmen in this Chamber realize, notwithstanding what may be said

by our friends to the left, the penalties which have been imposed on business. In the years I have been in this Chamber, I have seen the implementation of Medicare and I have seen the implementation of the Canada Pension Plan. Unemployment insurance has been with us. The Workmen's Compensation Board is another penalty, as are unrealistic corporation taxes, local business taxes and real estate taxes on corporate property. Yet our friends to the left say the government is giving too much.

• (4:50 p.m.)

I say that I welcome the opportunity to invite the parliamentary secretary to bring this measure before a committee as quickly as possible to give the business community the opportunity to comment on the adequacy of the measure and to determine whether the business community feels this is the kind of legislation that will assist them in their growth and in the provision of jobs for which every member in this chamber is clamouring daily. No one denies that there is a serious unemployment problem, and I think all but a few of us in this chamber recognize that jobs can only be provided by the industrial community of this nation. I think this is the area on which the government must lean a little more heavily, so when the minister proposes his next budget we can see what we can do to provide a little incentive for business to grow. I suggest we give business a decent break and a chance to survive under our system, then perhaps some of those jobs that we are awaiting so anxiously from day to day will be forthcoming.

I say again that if a system provides an incentive for business to grow, business will not in any way restrict the number of people whom it will employ for the sake of greed or money. Expansion is in the mind of every manager in the country, and if the proper kind of tax incentives are given, the answer for which the minister is looking will be forthcoming. I think that one need only look at newspaper articles in the city of Edmonton to find that Chemcell has laid off 325 members of its staff this year as a result of action taken by this government no less than two years ago. I am not saying that the Kennedy round negotiations are directly responsible for cut backs in operations here or in Hardieville, Alberta, or indeed in Montreal or Brockville. There will be many more lay-offs in the petro-chemical industry in Canada unless some of the conditions negotiated some years ago are renegotiated to favour the Canadian industries, and some favourable concessions are made in the budget to come to allow these businesses to exist in Canada.

I think it is all well and good to talk about economic nationalism. May I remind members of this House that Canada would not be nearly the nation it is today if it were not for foreign investment which came into this country at the turn of the century. I can see nothing wrong with a Canadian tax structure to encourage investment from abroad. At the same time, I think that that kind of a tax structure should give Canadians an incentive to invest in Canadian natural resource development or industry along with foreign capital, provided that we as a government can allow these people to operate under acceptable controls. A former Liberal member of this House of Commons, once a finance minister and now out of politics, the Hon. Walter Gordon, made some suggestions a few years ago with reference to a withdrawal tax. I was one of those who sat on the opposite side of the House but who rather favoured that kind of an arrangement. The hon. member for Waterloo said that foreign investment should be discouraged. If that is the case, he did not tell this chamber who in Canada would make the investments. Certainly, I would remind him again that he is not asking the government to make the investments in industry because he knows full well that a government once tried that and it failed miserably.

I want to comment only briefly on the surtax. I think that my attitude toward this part of the bill will be somewhat different. I think that extending this particular aspect of the bill is a retrograde step. The parliamentary secretary was not in the chamber on one famous night in February of 1968 when the government of that day proposed such a measure and was defeated by a vote of 84 to 82. I know that he was generous when he said, as recorded in *Hansard* of yesterday, that no surtax is paid by a single person whose income is below $2,743. I bet that there are not very many single people within the parliamentary secretary's social circle who earn under $2,743. He went on to say that neither is the surtax paid by a married man with two children whose income is below $4,343. That is pretty generous. What the parliamentary secretary is really saying is that we are not hurting very many people in this country, only about 98 per cent of those people who pay taxes. That is not very many. On the one hand, we are trying to encourage our people to buy Canada back and to invest in Canadian shares, stocks and bonds, and at the same time impose punitive tax, initially for one year. This tax was extended for another year, and now we are extending it for a third year. We say it is difficult to impose a tax, but it is much more difficult to remove it. This still applies.

I say that this bill should indeed go to committee, not because I think there will be many questions on the first part of the measure having to do with capital cost allowance. I think that will be generally and favourably accepted. But I think it should go to committee to get an expression of feeling for or against this measure, much like the treatment accorded the white paper proposals of last spring. Those people who are penalized, and will be penalized in the future should be given the opportunity to approve or object to this measure. At a time of high unemployment, the government should be looking at increasing personal exemptions rather than extending a punitive tax for which I think there is no reasonable justification.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised

tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Requirement that war veterans allowance recipients apply for guaranteed income supplement; the hon. member for Portneuf (Mr. Godin)—Income Tax—New assessments for 1968 and 1969; the hon. member for Don Valley (Mr. Kaplan)—Finance—Use by provinces of capital works loan fund to combat unemployment.

• (5:00 p.m.)

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, private bills and notices of motions for papers.

PRIVATE MEMBERS' BILLS

LA SOCIÉTÉ DES ARTISANS

Mr. Rosaire Gendron (Témiscouata) moved that Bill S-10, An Act respecting La Société des Artisans be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the main object of this bill, as set forth in the explanatory notes of Bill S-10, is, and I quote:

—to withdraw from this Society the attributes of a fraternal benefit society and to vest it with the rights and powers of a mutual life insurance company, while maintaining its representative form of government and allowing it to retain its power to promote social and educational activities.

The present bill would change the name of La Société des Artisans. The proposed name will reflect the cooperative features of this institution.

I will recall a bit of history to help understand this bill. The Société des Artisans, as I have just said, is a fraternal society for mutual support which started operations in 1876 under a provincial charter and has operated since 1917 under a federal charter. It is nearly 100 years old, and at first it wanted to pursue fraternal activities of social assistance and welfare for its members, with insurance as an accessory.

But as the Société des Artisans now has more than 350,000 members and as its equity is in excess of $24 million, it seeks approval for this legislation now before us in order to deal effectively with the major and main activities of this corporation.

Under the terms of this request, it asks to be transformed into a mutual life insurance company while keeping its representative form of government.

This bill would also change its name. By becoming a mutual life insurance company, the Société des Artisans, while remaining the property of its members, namely, the people insured and the contractants, will be empowered however to extend its activities to the whole

field of life insurance. Thus it will be possible for it to issue insurance policies on the lives of persons who are not within the family circles of its members, or still to generally re-insure life insurance contracts issued by other insurance institutions.

Furthermore, in becoming a mutual life insurance company, the Society will be subjected to the same controls as any other insurance undertaking (mutual or with capital outlay) under the authority of the Department of Insurance, and will reach the level of prestige that is common to institutions subjected to this kind of control.

On the other hand, the Society wishes to preserve the main objectives of its activities, namely mutual benefit, a co-operative nature, a specially elective formula, while modernizing its framework in line with the very great importance that the various forms of insurance have achieved within this Society.

The representative form of governing body which the Société des Artisans now has, and wants to preserve, while changing into a mutual insurance company is defined in clauses 7 to 13 of the bill before us.

Within this administrative set-up, the areas where the Society is doing business are divided into local jurisdictions which in turn are brought together into regional jurisdictions.

Each member of the Society belongs to a local jurisdiction (generally that of his residence). The member may attend the meetings of that jurisdiction, may vote, be elected officer and delegate to the regional jurisdiction to which his local jurisdiction belongs.

Each regional jurisdiction is therefore composed of delegates from its local jurisdictions, and elects its own officers and delegates at the General Meeting.

The General Meeting, composed of delegates and of each regional jurisdiction (or their alternates) as well as existing directors and former presidents of the Society, is the highest legislative authority thereof.

The General Meeting is held at least once a year.

In addition to its legislative powers, it elects, every four years, the board of directors of the Society, as well as its president and vice-presidents.

According to the by-laws of the Society, each of its directors is elected to represent a regional jurisdiction on the Board of Directors.

The Society also wishes to change its name. The Society has for a very long time been very active in the co-operative movement.

By becoming a mutual life insurance company, while keeping at the same time its representative form of administration as previously described and the right to promote social and educational activities, the Society will keep all the characteristics of a co-operative.

It is this co-operative aspect that it wishes to underline in the new name: "The Artisans, Life Insurance Co-operative Society".

I hope, Mr. Speaker, that the House will see fit to adopt this bill on second reading and that it will then

be referred to the Standing Committee on Finance, Trade and Economic Affairs, which will be able to hear the officers of the Society as well as the Superintendant of Insurance who, by the way, has been heard by the Senate Committee and has said that he is in favour of this amendment to the Society and to the Act.

I thank the hon. members in advance for their co-operation.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I read the bill a few minutes before entering the House, before five o'clock. In any case, I should like to put a few questions to the hon. member sponsoring the bill, asking him for clarification in the general interest.

First of all, I must say, and proudly, that I am a member of the *Société des Artisans* and that the proposed change of name seems quite acceptable to me.

Investments are substantial enough in the *Société des Artisans* to warrant the House giving the amendments put forward special consideration.

• (5:10 p.m.)

Now, will changing the name of the Society as well as some clauses authorizing it to enter into contracts with its members alter the character of existing contracts? Some contracts, for instance, are on the life of its members, while others do guarantee annuities to others.

This is what I want to know: Is the project now under study likely to alter in one way or other the contracts now in force?

Mr. Speaker, I believe that my question is in order because, normally we should get explanations enabling us to know whether this bill should be referred to the committee. We must know exactly the character of the proposed changes and the sponsor of the bill should be in a position to explain.

Mr. Gendron: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now, he will close the debate. I recognize the hon. member for Saint-Hyacinthe.

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I do not want to delay the referring of this measure to the committee, and the hon. member who has just asked a question will have to wait until this bill is considered in committee.

I would like to take this opportunity to commend my hon. friend from Rivière-du-Loup (Mr. Gendron) for piloting this bill. This mutual insurance corporation is a clear example of the results achieved by the abnegation and co-operation of people in our province. I am glad to see that today La Société des artisans has 350,000 members and that its assets total about $80 million.

The current company's requirements are such that to expand operations improvements and changes are required. I think we should all co-operate and see to it that the officials of this insurance company are given the help they need to be able to improve their company's activities to meet the requirements of 1971.

I am heartily in favour of the views of the member from Rivière-du-Loup and I wish him the best of luck in his future negotiations.

Mr. Speaker: The hon. member for Témiscouata (Mr. Gendron). If the hon. member takes the floor at this time, he will close the debate.

Mr. Gendron: Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert) asked the following question: What are the changes this new legislation will lead to in effective contracts in the insurance company? We must not forget that whenever a company operates on a fraternal society basis, since the main objective is not to sell insurance, insurance policies, the control, on the one hand, and the requirements on the part of the Superintendent of Insurance on the other hand, are greater, but this is due to the flexibility of operations in the fraternal society and to the risks that may to a certain extent be involved.

This means that a fraternal society may in the course of its operations, although it has never been done, change the contract and ask, for instance, that an additional sum be paid because the operating costs seem greater or the death rate exceeds the estimates, etc.

Therefore, whenever the society operates as a mutual company, it is impossible then to change the contracts and to call for new payments on premiums. And this becomes firm in that way.

I think those references do not minimize the present operations of La Société des Artisans, because they have never changed the premiums during the run of a contract. But it was possible under the statute of a fraternal society while now, and because the society wants it, it is operating more on the basis of an insurance corporation and thus cannot change in any way the premium and the contracts.

It is obvious that all the policies being sold at the present time are not changed in any way and security is thus increased.

I should like to avail myself of this opportunity also to thank the hon. member for Saint-Hyacinthe (Mr. Ricard) for his kind words and of his reference to the success of one of our companies, of which we are rightly proud.

May I be allowed, Mr. Speaker, to congratulate you on your recovery. We are happy to see you in the Chair again and we wish you a long stay among us.

[*English*]

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

INDUSTRY

REQUEST FOR COPIES OF CORRESPONDENCE RELATING TO OWNERSHIP OF URANIUM INDUSTRY

Mr. Max Saltsman (Waterloo) moved:

That an order of the House do issue for a copy of all correspondence, memoranda, etc., between the government of Canada and industry in Canada since January 1, 1970, regarding regulations on the ownership and control of the uranium industry in Canada.

He said: Mr. Speaker, old buddy, my motion requests:

That an order of the House do issue for a copy of all correspondence, memoranda, etc., between the government of Canada and industry in Canada since January 1, 1970, regarding regulations on the ownership and control of the uranium industry in Canada.

On November 4, 1970, as recorded at page 867 of *Hansard,* the Parliamentary Secretary to the President of the Privy Council replied:

I am informed by the Department of Energy, Mines and Resources that correspondence received from uranium-producing and exploration companies contains information specifically requested by the government and given with the assurance that it would be treated as confidential. In view of this, I trust the hon. member will agree to withdraw his motion.

As recorded at page 868 of *Hansard,* I said that was not acceptable and the motion was transferred for debate. I did not ask for this information merely because I wanted the government to reveal information which is confidential. I think all hon. members of the House recognize that some correspondence between the government and other parties must be confidential. Actually, I wanted an explanation from the government of its actions with regard to the uranium industry. The negotiations that have gone on within the industry and the decisions taken by the government still remain a deep, dark mystery. We want to know why the government thought it necessary to issue these directives regarding the uranium industry and to assume this kind of control. We must remember that this was a most unusual action. We agree with that action, and I think the country generally supported it. Since this decision is significant in the area of foreign ownership affecting other industries, I think it is vitally important for us to know the reasoning behind the government's decision. What kind of information influenced it in that decision? We have been promised on various occasions that that information would be forthcoming. It has not yet been given to us, and the mystery remains.

• (5:20 p.m.)

One might think that the uranium industry, of all Canadian industries, would be least likely to be subject to regulations concerning foreign ownership. The industry is already heavily regulated. Little takes place in the industry that does not come under government security. Its exports are regulated. The use to which those exports are to be put is looked at. For instance, in the past the government has refused the industry permission to sell uranium because there was no assurance that that uranium would be used for peaceful purposes. Since the regulations governing the industry are pretty extensive, why did the government feel it necessary, as well, to restrict the amount of foreign ownership in this industry. Perhaps the information in the government's possession should be made available to the public, so that the public could examine it. Perhaps, if we scrutinized the goverment's decision and the reasoning leading up to that decision, we could also deal with the question of foreign ownership in other areas and determine the direction that we should take regarding the question of foreign ownership in other areas.

At present the government's representatives say to us, "Trust us." I am not reluctant to trust them to a certain point. We have trusted them for a considerable time and have waited for them to give us a definitive statement which would spell out the regulations in more specific terms. We want to know what the government intends to do and how these regulations might apply to other industries. We brought this motion forward in an attempt to obtain this information. We should like to examine the kind of correspondence that has gone back and forth between the government and the industry. If the government feels that it cannot do this, the very least it owes the House is a complete explanation, as opposed to the usual, bland language the government members use when they tell us that these matters are confidential, that they cannot be revealed and that if they were revealed the government would break a trust. I feel it is most important for the government to explain its position in greater detail than it has so far. I think it owes that much to the House, and I hope that it is prepared to do so this afternoon. If the government cannot produce the papers for us and if it feels that they are too confidential, the very least it can do is explain to us the reasoning that led to the conclusion that the uranium industry of Canada ought to be limited in terms of its foreign ownership.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I listened with a great deal of interest to the hon. member who proposed this notice of motion. It is quite clear that, in terms of the wording of the motion before us, he has cast a broad net. He asks for a copy of all correspondence, memoranda, etc., between the government of Canada and industry in Canada since January 1, 1970, regarding regulations on the ownership and control of the uranium industry in Canada. The hon. member said that he and the members of the group to which he belongs approved the actions of the government in this regard. Then, in the next breath, he said he thought that it was an error that the government had started with these industries and these regulations concerning foreign ownership, because these industries were already so heavily regulated. Now, he asks in the broadest sense for all the documentation regarding this matter to be made public.

I have had certain difficulty in following the policies of the party to which the hon. member belongs, and never did I experience greater difficulty than this afternoon in

trying to add up the position of that party. If the hon. member's group approves the government's policy, then they must respect the government when it says that certain information was gathered in confidence and must be treated in confidence, because otherwise there cannot be any trust between industry and government. If, on the other hand, they do not approve of that policy, then the purpose of this motion is that the government shall lay out this information so that the hon. member's group can criticize it, challenge it, oppose it, and make suggestions about it. If that is so, that information this afternoon would have been welcome.

We have raised some pretty fundamental questions, Mr. Speaker, and the hon. member has used this motion as a vehicle for raising them today. He said that what he really wants to know is, what is the government's foreign ownership policy, what are the principles underlying it and how will they apply to other industries. With the greatest respect and with no little humility, we say that it is not easy to answer these things, because the policy is evolving. The government is studying it. The government has not taken a hard and fast position. The task force is in the course of preparing the report on the principles which will guide the policies of the government with regard to foreign ownership. The Minister of National Revenue (Mr. Gray) is the member of the cabinet entrusted with this responsibility.

In acting as it did, the government was fully aware that its actions to a certain extent were pragmatic. The government acted, as the hon. member conceded, in a responsible way and in response to widespread public opinion. Opinion within the hon. member's party is spread more widely than in other parties. The members of the waffle group want to go all the way in one direction, but the other members of the party are prepared to take a much broader line.

An hon. Member: Why not read the newspapers?

Mr. Francis: Actually, in taking measures to ensure Canadian ownership of industries, the government is trying hard to do what the public of Canada feels is right. At the same time the government is acutely aware that the rights of individuals are involved. The rights of industry are involved, as are the rights of individual Canadians. They have the right to deal with their own affairs logically and to look after their own interests. We assume, in our free enterprise society, that it is only fair that the parties involved in matters of this kind should have these rights.

What the government is saying today to this House very simply is this: the rules are being evolved. A full public document will be produced, and there will be a statement on policy. But, at this stage, it is premature to bring in this kind of notice of motion as a means of forcing a fuller and broader statement of policy by the government. This will take place; there is no question about it.

• (5:30 p.m.)

As I said at the beginning of my remarks, it is difficult to reconcile the series of statements that the hon. member made. The hon. member agrees with what the government is doing: in general, he thinks it is right. But he wants the government to publish confidential documents, and to this end he has put down a broad, sweeping resolution that all correspondence since January 1, 1970, between the government and the industry in Canada concerning the whole question of the ownership and regulation of the industry be tabled. There is no way in which the government can accept such a motion, and I for one believe it would be a serious mistake to do so. I hope the government will not be placed in the position of betraying confidences explicitly given, and I trust the House will reject the motion which the hon. member has placed before us.

Mr. Saltsman: Would the hon. member be prepared to answer a question?

Mr. Francis: I would be delighted to do my best.

Mr. Saltsman: The hon. member expressed some concern over the rules of the game. In this instance the rules of the game were obviously changed in midstream. When Mr. Roman became involved in the uranium industry there was no indication that the government's intention would be to prevent foreign ownership of that business. This is one of the complaints he is making. It is impossible for the public to know to what extent Mr. Roman's position is justifiable in the absence of the documents which are being sought. When the hon. member talks about changing the rules of the game with reference to the disclosure of confidential information, I say that in this instance the rules of the game have already been changed. Does he not agree that this is what has taken place? I should like to hear his opinion on this aspect of the matter.

Mr. Francis: The hon. member is perfectly right. The rules of the game were changed. We are not trying to say they were not changed. We are saying that the motion before us is not one which would achieve the purpose which the hon. member is implying it would achieve. He is asking for the disclosure of a broad range of confidential documents. The issue of whether or not individual rights are adversely affected will have to be resolved in the proper way, that is, by discussions and attempts to reach an understanding.

Discussions have taken place and will continue to take place between the department and the individual concerned. The government has to balance the public interest and the private interest. It is a very delicate matter, and large sums of money are involved. The hon. member himself knows that this is not the kind of thing which premature publicity can resolve; it has to be resolved by discussion between the parties concerned and in light of the evolution of a national policy which the government is actively engaged in developing at this point.

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, like my hon. friend from Ottawa West (Mr. Francis), I cannot help expressing some doubt as to the principle implied in the motion before us. As my hon. friend pointed out, we are asked to approve the production of

private papers reflecting correspondence between the government and the uranium industry. In this case, the documents refer particularly to the position of Denison Mines and the government of Canada in light of Mr. Roman's announcement that he intended to sell his company to interests outside Canada.

The confidential nature of such documents is something which has to be established over a period of years. We cannot let it be destroyed unilaterally by one of the parties concerned simply because a motion has been put down requesting us to make those documents available. I am sure there is information contained in these documents which would benefit neither the government nor the individuals concerned. I need hardly point out that the interests of the shareholders of the company could be affected by such a disclosure.

We all remember the great excitement in the fifties when prospectors and others moved across the length and breadth of Canada searching for uranium deposits. We recall the establishment of such communities as Elliot Lake and Uranium City. Elliot Lake grew from being a spot in the bush to a modern, well equipped town. Then, as a result of a decision in the United States, the industry entered a period of decline. Mines were closed down and towns like Uranium City were seriously affected. We were unable to sell our product—though not the ore itself—in the markets of the world.

Sales by Atomic Energy of Canada Limited have been disappointing, to say the least. I remind hon. members that many years ago Canada decided that its approach to the use of atomic power was through heavy water process. Other countries took a different approach. Almost alone in the world, Canada depended on heavy water. Consequently, we found we were unable to convince other nations that this was the best way of developing nuclear energy.

Having gone through these ups and downs, the industry nevertheless looks forward to a bright future. This is what has been said for some time. Most of us wonder if that day will ever come. Nevertheless, we have kept a uranium industry in Canada by means of a combination of stockpiling on the part of the government and occasional sales of uranium ores to other countries, under certain restrictions. We have insisted on certain safeguards, specifying that whatever uranium we sold should not be used for military purposes. Canada has been a leader in the sale of uranium for peaceful purposes. On at least one occasion a major sale was not consummated simply because the other country concerned was unable or unwilling to guarantee that the product would be used for peaceful purposes and not for the manufacture of nuclear weapons.

As I say, we have retained the basis of an industry which will mean much to us in the future. There are still large deposits of uranium ore under the ground and many mining companies are anxious to get on with the work of developing their ore bodies whenever the market permits. In the meantime, the government determined that it was not in the national interest to permit the sale of a major company in this country to a foreign concern. Having taken that approach, since that time there has been a period of negotiation and discussion between the government and the company concerned, much of which has been on a confidential basis and has been, I assume, an expression of ideas and opinions on the part of both. To make this kind of information available to the public through this House would not, I think, be in the best interests of the company or of the people of Canada.

• (5:40 p.m.)

To return to my original point, which was that confidence must be established, be it in the uranium industry or in any other industry, between government and the private sector, the principle involved is similar to the case where a man files an income tax return knowing that the return will not be distributed to other government agencies but will be kept within the revenue department. Similarly, a man who fills out a census form for the decennial census knows that the information he gives will be for the use of the Dominion Bureau of Statistics, and under penalty of fine or imprisonment the employees of DBS are required to ensure confidentiality of the information. The same principle applies in these particular cases as to all other cases involving such negotiations between government and the private sector.

Mr. Paproski: Tell us a little bit about your area.

Mr. Orange: The hon. member has a chance to speak if he wants, though he never says very much. Since it is obvious that the members on the other side of the House are perched, ready to launch into the parry and thrust of this exciting debate, with those few remarks and having enunciated my own personal view of the relationship that must be developed and retained between government and the private sector, I shall pass the debate on to my hon. friend on the other side.

Mr. Saltsman: Would the hon. member permit a question?

Mr. Orange: I would be delighted.

Mr. Saltsman: During the course of his remarks the hon. member made the point that he was concerned with getting the consent of all parties. I appreciate the point; it is important that we have consent. My question is: Has the government asked Mr. Roman for his consent to releasing the document or the information contained in the document?

Mr. Orange: Obviously, Mr. Speaker, I cannot answer that question. I do not know whether the government has made that approach; but it does occur to me that there are other vehicles for raising this question. I think our committee system, which has been so successful in the past, is one. Perhaps the committee on natural resources could involve itself in a study of this kind.

Mr. Saltsman: Mr. Speaker, I will take that suggestion under advisement. But could the hon. member tell me whether someone on his side of the House can speak for the government and answer that question, which I think is of particular importance? I am quite willing to agree

that consent is necessary, but I want to know whether that consent has been asked for and whether it has been refused.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I should like to make a few comments in this debate. It seems to me that with the ever-increasing involvement of government in business affairs, the public should have some right to be made aware of some of the things that are going on. The hon. member for Northwest Territories (Mr. Orange) referred to the uranium policy of Canada and to dealings in uranium. While I can sympathize with the government's problem in dealing with private industry in this field, in view of the fact that Canada is in trouble in this area it seems to me some public dialogue should have been promoted sooner than it was. If we had had some advice or other people's opinions and taken the Canadian people more into our confidence, we might have found some solutions to the problem, or at least have had different reactions, than we have had up to the present time.

I think our uranium industry is locked in at the present time. As a Canadian I am hoping we will have the economic means to produce atomic energy, not only for ourselves but for sale to other countries. I cannot help but feel that any time we spend a large amount of money from the public treasury on helping the uranium industry, the grain farmers of Saskatchewan or other groups of that sort, the public who after all are paying the shot, have the right to have certain questions answered. Certainly, if I am to pay I want to know what I am to pay for and why I should pay.

There may be some instances, such as the preservation of a Canadian-owned uranium industry or the preservation of a Canadian-owned publishing company, where there is a sort of contract between the company concerned and civil service employees who are negotiating with the company. But if the Canadian people are putting up the money to preserve such undertakings, I feel they should have the right to know what is being done with their money, how much is involved and what promises have been made. It is for this reason that as a representative of the taxpayers of this country, I feel we should be entitled to this information.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the hon. member for Waterloo (Mr. Saltsman) raises an important and continuing problem in this House, namely, the need for us all to get maximum information regarding government policies and intentions. To this proposition I fully subscribe. As we alter our rules of the House and build in research staffs for the various political parties in this chamber, we will have an increasing need for information. To that basic proposition I think most of us on this side of the House will agree with hon. members opposite. In this respect perhaps their need is even greater than ours; but I think we all recognize that there is a general need in this House for information.

In addition to that, the hon. member raises the point about essential information in a context now interesting all Canadians to an increasing extent, namely, the degree of foreign ownership and control of Canadian resource industries. Those of us concerned with that matter doubly need information since this matter is currently being developed within the framework of new government policies. In this sense I am sympathetic to the request that is now before the House. However, I am prepared to say to the hon. member that even if that information were available I do not think this would be the right time to bring it forward. I think he himself was coming to this view, although he skirted away from it as he approached it. He recognized there is a need to trust the government when it says the information it has at a given time has been obtained on a confidential basis. He recognized the need to protect confidentiality. He went a little further and said there are times when information can and cannot be given. That is another matter which does not necessarily involve confidentiality.

• (5:50 p.m.)

Thus, there is a question of timing, and I raise this issue with the hon. member in attempting to respond to his motion. In the case of the uranium industry there is the matter of confidentiality added to the question of new foreign investment policy in its formative stages. Most of us will agree that the uranium industry is a special case. The hon. member for Waterloo drew our attention to the fact that this is a highly regulated industry in the resource field. It is probably the most highly sensitive and regulated resource industry in our country. We are entitled to a maximum amount of information, if for no other reason than the fact that this industry is of special concern to Canada and has special sensitivity.

The hon. member also asked if information could not be given now, then what sort of reasoning could be suggested to support regulation in respect of foreign ownership in this particular sector. We all recognize that this is the only sector of the resource industry, so far as I understand, which has regulations in respect of the degree of foreign ownership. One might say that the oil industry has ownership requirements, but this requirement in uranium is an innovation of some importance. No doubt the innovating regulations are there to control foreign ownership because of the special character of the uranium industry.

The hon. member also asked whether the president, or the owner of this firm, Denison Mines—this is why the whole question arose—had been asked his views as to whether correspondence ought to be published. Where as I cannot answer that question and would not pretend to speak with any authority on it, I would none the less be prepared to say that even if he agreed, this is not the time to bring forward the information. I still want to have this information, but I think now is not the time to make it public. Why am I prepared to say that this is not the time, and why would I ask the hon. member to agree that timing is of the essence in this particular case? I think it is not the time because we are in the middle, I hope, further than the middle—let us say we are coming to the conclusion—of a study by one of the minister's of new governmental policies in respect of foreign ownership.

I for one do not think that the new policy, which has to be general, should be promoted or distorted or that influence or bias should be given to it by ad hoc regulations. Essentially, at the present time the uranium regulations are a holding operation. I do not think we should be making important general policy through ad hoc situations. I would go further and say I would be the first to recognize—and with this the hon. member will undoubtedly agree—that it is too bad the general policy is not yet in existence. The fact is that it is not yet ready. And so, on a practical basis, what is one to do when faced with this foreign ownership question of a dominant firm in a sensitive resource industry?

Mr. Saltsman: Mr. Speaker, I rise on a point of order.

Mr. O'Connell: I will continue for just a moment. I will be glad to answer the hon. member's question in a minute or two. I should like to finish my thought, if the hon. member will indulge me in this way.

What we have here in respect of Denison is a dominant firm in an extremely sensitive industry. We also have the question of the whole strategy of Canadian participation in the science and technology of a nuclear age. This is a technology that we have not yet fully worked out. It is a technology in which Canadian policy is designed at present to move in one direction. In time we should reach the point where we have a broader policy in respect of Canadian technology taking us into the enriched uranium field for power production rather than concentrating solely on a heavy water system. If that proves to be the case, and even if it does not, we must have an assured supply of uranium, a commodity in a very sensitive area, to back up Canadian domestic and international policies. We must have an assured source of uranium supply. This supply must be located in Canada, under Canadian control and ownership.

It would be sheer folly, when faced with the prospect of going into the nuclear age, to not have control and ownership of the dominant firm in this country, particularly when other countries regulate and control the uranium industry so closely followed. There is world wide acceptance of governmental regulation. Technologies compete within this unusually comprehensive system of government influence. At this particular time we cannot permit these facts of competing technologies and government interest to escape us, particularly when we are faced with the question of foreign control of the major source of supply in Canada.

I do not think this is the time to disclose these regulations. They are therefore a holding operation, as I see it, and I repeat that I have no particular governmental knowledge. We should be prepared to alter the regulations if necessary to bring them into line with general policy when it emerges and therefore the confidentiality of the ad hoc regulations should be maintained.

I would be glad to accept the hon. member's question at this point.

Mr. Saltsman: The parliamentary secretary has today given us more information about the reason for keeping the uranium industry in Canadian hands than we have received so far. In view of what the hon. member has said, I ask whether he is stating government policy, or is he speculating like the rest of us?

Mr. O'Connell: Mr. Speaker, I am delighted to answer that question. I am glad the hon. member raised it because I wish to make it absolutely clear that I am not stating government policy. I am not privy to the regulations, and I am only speaking as a member of this House. I thank the hon. member for raising the question and helping me to clarify the position. I do not think one should call my reasoning speculation: surely my comments are a rational deduction in view of the situation. Again I go back to the hon. member's own point, that there are times when we have to respect the confidentiality of some information. There are other times when information should be disclosed. I think it should be disclosed when the general policy is available to all of us. At that time, any ad hoc policy ought to be brought into conformity with the general nature of things.

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

The Acting Speaker (Mr. Richard): The hour appointed for private members' business having expired, I do now leave the chair. Last Monday, if hon. members will recall, signs of spring in the form of yellow daffodils were apparent. Today the white king of winter still reigns over us.

At six o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration of the motion of Mr. Benson that Bill C-225, to amend the Income Tax Act and to amend an act to amend that act, be read the second time and referred to a Committee of the Whole.

Mr. Roland Godin (Portneuf): Mr. Speaker, with the introduction of Bill C-225, I realize that in this government, it is becoming increasingly harder to find persons who can be categorical.

As a matter of fact, in introducing this bill, we are simply being asked to extend the application of a legislation introduced, a few years back, under the heading "temporary".

How can it be that the so-called enlightened people who are still holding important positions today had to beat around the bush to that extent in order to achieve their purpose?

The Minister of Finance (Mr. Benson) has succeeded in surrounding himself with first rate publicity men who

try to do a good job, in other words, to show the minister as a man in the know who assumes his responsibilities.

In fact, the truth is just the opposite, since by this bill, the minister proves to us either his incompetence or his ill will.

Either he knew what would happen to the bill introduced two years ago, or he is not aware of the role he must now play at the head of the country.

The bill asking us to extend the act is, in my opinion, most unfair because, once again, it affects the poor and the average income citizen. These really bad formulas prove to us that the government always protects the strongest in the country, the big moneymen, in other words those who have countributed to the election fund in the past and who can still do it in the future. It is ridiculous to let the population believe that we intend to build a just society by such unfair methods.

The Economic Council of Canada has established that a family with an income under $5,000 lives in a state of poverty and a survey has shown that 75 per cent of families in Quebec earn less than $4,000 a year. Moreover, according to a survey conducted by one Scott Houde, of Dalhousie Institute, in Nova Scotia, it has been proven that 35 per cent of families in that province live in a state of poverty and earn salaries of less than $3,000 a year.

• (8:10 p.m.)

Why, Mr. Speaker, does the government persist in wanting to collect money from this class of workers who already lack the bare essentials since it is known that personal debts of Canadians amount to $4,000 per home, not counting mortgages? Why must it tax low-income people who are not solvent in the eyes of the Central Mortgage and Housing Corporation?

So-called geniuses quite often blame Canadians for their lack of disposition for saving, but when you already lack the essential and in addition the government picks your pockets, how can you ever save anything? Stores and shops are packed with products of all sorts because Canadians have less and less purchasing power, and the government is introducing legislation to tax them further. It is really no wonder that some areas of the country are not developing much. In fact, it is recognized that even as taxes have increased, salaries have often remained at the same level. We know the results and, frankly speaking, one should not expect anything else.

So-called government experts work up projects aimed at eliminating regional disparities and in the same areas there are people who are required to pay more taxes. Truly, one must be utterly dishonest to believe that such a course of action is normal. As I said earlier, people who are considered insolvent by Central Mortgage and Housing Corporation when it comes to building a home are always considered solvent for income tax purposes by the Minister of Finance. We then realize that there is one law for the rich and another for the poor.

There are a number of public relations experts employed by the government who go around telling

people that they are being taken care of, and that solutions to their problems are being investigated.

With this Bill C-225, we realize that the government is genuinely concerned with the underprivileged, not in order to assist them, but to crush them more.

The surtax applied in the Spring of 1968 was only temporary and was supposed to produce $105 million for the Canadian government, collected from individuals for the fiscal year 1968-69. I repeat it was only a temporary scheme and we can read the statement made by the present Secretary of State for External Affairs, hon. Mitchell Sharp, who was then Minister of Finance, in *Hansard* for March 7, 1968, on page 7394, and I quote:

> ... this surtax will apply only for the taxation years 1968 and 1969.

Today, back comes the same bill, under Her Majesty's authority, with advice and consent of the Senate.

Can the Senate tell us whether the Minister of Finance's statement in the Spring of 1968 was due to insincerity or to lack of awareness. Whatever the reply, I believe we have there an explanation for some changes in the present government.

Officials in the department of Finance, very well paid officials, prepare high-sounding statements that are then made by parrot-type ministers, and as soon as the statement is made and the act becomes operative, those ministers are transferred to another department.

As the Secretary of State for External Affairs was a witness to today's debate, I wonder if he could tell us on what he based the promise he made to us in the spring of 1968 that the 3 per cent tax would be only temporary and would be in force in 1968-69 only.

I believe that the government had foreseen the present moment, that it was already thinking of maintaining this tax and that is one of the reasons why, I think, the Minister of Finance was given another department where he can wash his hands of the whole thing.

The bill also provides for the maintenance of a certain surtax imposed on corporations and small enterprises. One does not have to be an expert to know that those corporate taxes will finall ybe included in the prices of the products and the services sold by those companies. In short, with the extension of this tax, the workers will inevitably have to pay the piper once again because the companies always end up by including the cost of such taxes in their prices.

Once more, the consumer, who already lacks the necessaries of life, will bear the brunt of it.

If the government has not enough money to operate, there are other means to get some, and the Minister of Finance knows all about them. He should use these means to try and help to some extent those who could do with more than their salaries to meet their own needs and those of their families.

With Bill C-225, he is attacking not only the individual's income but also the bare minimum. He is taxing what is necessary to life and the minimum expected by Canadian people.

The head of a family who earns $4,000 a year receives the equivalent of welfare. And if people on welfare had to pay taxes, it would be of the utmost ridicule. When somebody with an income below $5,000 is taxed, the essential needs of a family are thus taxed. And even though the government is very strong presently, owing to its majority, I feel it is not a good enough reason for it to take the last nickel away from the Canadian people.

When we compare in the 1971-72 budget the amount of $558,300,000 paid in respect of family allowances to the amount of $1,994,685,000 for servicing the debt, we find ample reason to convince us that the present government does not at all reflect the image of the democratic government which had been expected following the coming to power of the Liberal party. By its action, the present government is in the process of proving that it does not at all administer the country according to the wishes of the people.

The minister who is supposed to sponsor this bill is not alone responsible for this state of affairs, as there is above the governments an anonymous body which includes very influential people who are being waited on by the old political parties. Whatever the color of the government, blue or red, it is always the same administration dictated by senior officials whose function is to execute the will of high financiers. Crises of all kinds follow one another. There are words to categorize them, they are even given names as for hurricanes: the monetary crisis, the October crisis, the unemployment crisis, the union crisis. It is easy enough to catalogue all those crises but when it comes to finding means to prevent them, nothing is done. The government is sustaining constant publicity about the poor; the number of poor people increases but there is no mention of change of any kind.

Mr. Speaker, precisely because I did not come here to protect any trust, because I am primarily concerned about the welfare of my constituents, I take the liberty of moving the following amendment, seconded by the hon. member for Shefford (Mr. Rondeau):

That the main motion be amended by deleting the word "now" and adding the words "in six months from today" at the end of the question.

Mr. René Matte (Champlain): Mr. Speaker, it is easy to settle immediate problems with instant stop-gaps applicable at any time. The government, which was supposed to establish the just society, lost no time, right after taking office, in raising taxes through a 3 per cent surtax.

The new administration, under the spell of "Trudeaumania", had already raised taxes by 2 per cent, affixing to the new tax the pretentious name of social development.

Ironically enough, never has Canada known such gloomy years! Unemployment, social deterioration and anarchy seemed to be the reaction to this half-concealed arrogance. The Canadian citizen is more and more aware of the fact that constant imposition of new taxes and surtaxes will fatally lead to a point of no return, where anarchy and dictatorship are bound to take over.

• (8:20 p.m.)

Too often, and this should never have been tolerated, temporary schemes end up by being permanent. This illustrates the principle: let us create a precedent, let us enact a temporary legislation; in any case, it will become permanent.

We, particularly in Quebec, in the past, have greatly suffered the ill effects of such provisional agreements that later on became permanent. How many essential rights Quebec has lost temporarily and which are the cause of the accute constitutional conflicts we are experiencing today! How many promises of a return to normal as soon as the dangerous situation was controlled! In a word, Mr. Speaker, how many misrepresentations, at least at the intellectual level, aimed at improverishing the Canadian taxpayer to a greater extent!

Perhaps we could not talk this way if we had no other solutions to put forward than those constant tax increases. My colleagues had the opportunity to analyse scientifically and refute systematically the claims of the Minister of Finance (Mr. Benson).

Allow me to emphasize, in my own way, the disadvantages of this obsolete economic system which requires the whole population to follow the ups and downs of a staggering economy controlled by the whims of high finance. If at least the government, through its action, managed to restore some order within the economy, if it succeeded in improving everybody's welfare, and if finally, it succeeded in balancing once and for all the country's finances, we would not insist so much that this bill be withdrawn. But God knows that everybody is lost in this fiscal jungle. The government is groping its way day by day. Money is so scarce: it does not matter whether this is the result of bad administration or of a bad system, it keeps on levying more taxes to solve whatever problem arises.

And yet the means we are suggesting should at least be tried out. Let us stop empoverishing everybody by this dreadful bleeding from interest scattered to all winds, the North-South wind being the most efficient.

Why persist in requesting from senior bankers permission to issue social credit? Why reimburse two, three, four and even five times the capital amount? Why thus spoil the genuine power, that of the people, the monetary power that the people himself could exercise through his bank, the Bank of Canada?

Why not agree to interest-free loans? Why not reduce by all means available the tax burden and avoid all extravagance?

Mr. Speaker, we would very much like the government to succeed in making our economy healthier. We would like to help them do it. With all our heart we would like to be able to relax in this vast country of ours whose untold riches do not sufficiently contribute to the welfare of each and every one of us. We would so much like every Canadian to feel really responsible and to be able, having acquired his full development at all points of view, to contribute to international development, to inter-

national peace. But one must admit that we must first organize our own affairs.

Finally, Mr. Speaker, we are always ready to co-operate closely with any government that will condescend to take a step towards the real solution which we advocate, which would spare us many hardships and which, in making financially possible what is physically achievable, would permit a better distribution of goods and give the individual the freedom necessary for his development.

Mr. Speaker, those are the reasons obliging us to insist vigorously against such government tactics of keeping on levying taxes that look most unfair to us. That in an affluent country such as ours no efforts were really made until now to solve the problems by exploiting our full potential of material riches, is unthinkable. Add to that the wealth of our labour—and again we know it is not lacking at the present, that there are at least 700,000 available and that we have the necessary talent—and we could set an example in the world by merely applying the principles inherent in an adequate economic system.

That is why the one and only solution the government always comes up with—increasing or extending taxes—constitutes the reason and the cause of the frustrations we have to go through at the present time.

We therefore have to defend the people themselves who have to cope with taxes and who want once for all to have other solutions considered instead of taxes.

They want at least that some steps be taken to study other methods which could lead to better understanding and to better living conditions for all.

One wants to eradicate poverty; we agree. One wants to improve the lot of everyone and we agree again. But we disagree when one does not use his intelligence or his imagination or any means to try to find another solution than a tax increase.

And those tax increases evidently and surely lead to a slackening of the economic development, a slackening which the small wage-earner who can hardly make ends meet, is obviously always the one who must suffer the consequences.

That is why we are here, to fight for the main interests of the weak, to fight for the main interests of the people, for it must be admitted, Mr. Speaker, the majority of Canadians are not now living absolutely freely, taken into account the great financial difficulties they encounter.

That is why—and I think that should be enough—we insist that the government revise its position and try—then we will give it all our support, all our help—to find solutions other than increasing taxes.

We hope we will at last be heard, that there will be a show of good will. In fact, we are sure, we have the support of the majority of the people.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I will recall at the outset that the purpose of Bill C-225 which is before us this evening is to extend for a period of one year the 3 per cent surtax, which was unfortunately enacted in February 1968.

[Mr. Matte.]

Indeed, Mr. Speaker, this bill brings in no change, except the extension of a legislation, of a surtax which was to be temporary, as have just mentioned some hon. members of the Ralliement créditiste.

The amendment moved by the créditiste member has in fact the effect of deferring to six months the consideration of the proposal, which for all practical purposes would amount to eliminate the effects of that legislation.

We will unquestionably—at least in so far as I am concerned—support the créditiste amendment since it tends to repeal that surtax, that additional burden imposed on taxpayers.

Mr. Speaker, what I would have wished this evening, before pursuing my remarks, would have been that the minister of Finance (Mr. Benson), who unfortunately is not here, withdraws that 3 per cent surtax enacted three years ago.

We will remember that this bill, which in short provides for the extension of the implementation of Bill C-193, introduced in February, and which originated in November 1967, had been proposed by the then minister of Finance, now Secretary of State for External Affairs (Mr. Sharp).

It is intended by this bill that an amount of $300 million be collected to provide for social welfare benefits and particularly old age pensions. I would appreciate it if the Minister of Finance or one of his officials would tell us whether the manimum amount that the government was seeking to collect by means of the 3 p. 100 surtax has been exceeded. It is quite possible that this surtax may have netted the government $500 million or $600 million which would confirm one again that this surtax is unjustified in as much as it has brought in more money than was required to meet these specific needs.

Now, Mr. Speaker, since it is impossible to obtain this information, I hope the minister will make it his duty to tell the House whether or not the government is actually collecting far more money than is needed to reach the goals set out in this bill.

Mr. Speaker, if, today, the taxpayers find that the government wants to extend the surtax for another year, they will have to pay it. When we speak of a surtax, we speak of a tax on a tax. It should however be noted that the present government is not the only one responsible for this situation. As a matter of fact, Bill C-225 is really a continuation of Bill C-193 of sad memory, and which caused some disquieting moments within this Parliament. We will remember it too easily and with too much bitterness. This bill plunged Parliament into one of the worst political crisis in the history of Canada.

February 19, 1968, will be well remembered, when a bill was put to a vote, a bill affecting the life-blood of the federal administration, i.e. the budget, and the way in which the government must spend public monies. In fact, it was a bill involving expenditures needed for the federal administation.

According to the whole parliamentary tradition, to the practices followed in all countries with a system similar to ours, this law was bourd to commit the liberal govern-

ment which introduced it on February 19, 1968, at the occasion of a vote in this chamber.

You will recall, Mr. Speaker, that on the night of February 19, the government was defeated by a vote of 84 against 82. On this first vote, all opposition parties had unanimously voted the government down, therefore condemning its proposals and rejecting a piece of legislation which aimed precisely at imposing upon Canadian taxpayers a direct tax on their income tax return.

Mr. Speaker, I was extremely surprised today to hear my good friends from the Ralliement Créditiste who time and again said that they were strongly opposed to this tax hike, state that they are the champions in this House of the laboring man, the low-earner, and that they are the true defenders of the Canadian nation.

Some hon. Members: They are.

Mr. Valade: If my hon. friend maintains that they are, I must, to be fair, truthful and simply honest, straighten out the facts.

• (8:40 p.m.)

The Ralliement Créditiste had voted with all other opposition parties against the bill proposed by the government, causing the fall of the government—

An hon. Member: This is not true.

Mr. Valade: —not of the Liberal Party in power but of the government of that time.

Before my hon. friend says this is not true, let him wait and I shall give him proof.

The liberal government had had a rebuttal on proposals to increase taxes for Canadian taxpayers in a precise legislation to this effect. When I hear our hon. friends the Créditistes today say that they hold the government responsible for this, I say this is not the whole truth, because those who are really responsible for the surtax we have had these past three years and for the extension that we shall have are the Créditistes themselves whose behaviour has given the lie to their leader's actions and statements in the House—

An hon. Member: This is not true!

Mr. Valade: —and kept in office that party which had undertaken to increase personal income tax.

An hon. Member: Tell the truth!

Mr. Valade: I appreciate the fact that my hon. friend wants me to speak the truth and this is exactly what I intend to do, Mr. Speaker. How unfortunate that in this House one should be forced to put—

Mr. Adrien Lambert (Bellechasse): It is a new bill.

Mr. Valade: It is not so. It is a continuation of Bill C-193. The members of the Ralliement Créditiste had said that they would vote against the government, that they had said so a thousand times in this House—

Mr. Lambert (Bellechasse): It was not the same bill.

Mr. Valade: It is the same bill perpetuating itself; there is no difference whatsoever.

Mr. Speaker, I am tired of hearing in the House those self-styled defenders of the working class who really bear the main responsibility for a surtax applying to all Quebec taxpayers.

Mr. Speaker, I shall quote from the official report of the House of Commons. As far our honourable friends who are trying to refute self-evident truths, I should like to invite them, since they claim to be the sole defenders of the truth, to review conscientiously what was said in this house just three years ago.

On page 6905 of *Hansard* for February 21, 1968, when the house had just defeated the government by a majority vote, you can read the following:

> If we believe that, in a democracy, parliament is the real sovereign of the country, we may say, in the present circumstances, that the government has been defeated by a parliamentary majority and that it should resign.

These were the very words spoken by the leader of the Ralliement Créditiste (Mr. Caouette).

Mr. Speaker, it is rather surprising that a few days later, that is to say on February 22, 1968, as recorded on page 6915 of *Hansard*, the leader of the Ralliement Créditiste (Mr. Caouette) had this to say, and I quote:

> There was no agreement or collusion among opposition parties. The only thing that happened Monday evening was that the motion introduced by the government with regard to Bill C-193 was defeated.

Here, the leader of the Ralliement créditiste (Mr. Caouette) said:

> —was that the motion .. was defeated—

—while one day, not 20 years later, but the day before, the leader of the Ralliement créditiste stated:

> —was that the motion ... was defeated—

And, on the following page, he goes further and says this,—and I invite the hon. members to read page 6905 carefully:

> —was that the motion... was defeated—

It was not the motion, that was defeated, it was "the government".

> —Under the circumstances,—

—says Mr. Caouette—

Mr. Speaker: Order! I would invite the hon. member to refer to his hon. colleague from Témiscamingue as the representative for the Témiscamingue constituency. The hon. member will admit that it is a sound practice in this House to refer to a member by giving the name of his riding rather than his surname.

Mr. Valade: Mr. Speaker, I simply wanted to draw attention to the fact that I was quoting Mr. Caouette's words as recorded on page 6905 of *Hansard*. So I must mention Mr. Caouette's name. I recognize that he is

member for Villeneuve, but I am quoting page 6905 of *Hansard* where the hon. member for Villeneuve, leader of the Ralliement créditiste, was stating as follows:

We voted and the government was defeated. Under the circumstances, there is but one way out, and that is to go to the people.

This was the statement by the leader of these honorable gentlemen to my left and I am trying to explain—

Mr. Rondeau: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Shefford (Mr. Rondeau) is rising on a question of privilege.

Mr. Rondeau: Mr. Speaker, I have in hand the official report of the debates of the House mentioned by the hon. member for Sainte-Marie and I would like him to tell us on what page he finds the words "Under the circumstances, I see no other way out for the government than to go to the people" ascribed to the leader of the Ralliement créditiste (Mr. Caouette).

Mr. Valade: Mr. Speaker, I have just mentioned it. My hon. friend was nervous. It is on page 6905 (6-9-0-5). It is not a phone number, but the page number in the issue of February 21, 1968 (1-9-6-8) of the official report of the debates of the House of Commons which all hon. members receive at their office and which they collect or keep.

Mr. Speaker, I hope that my friends will not deny a statement appearing in *Hansard* and which was made by the leader of the Ralliement créditiste. I will quote another one to enable them to understand better. Since we are considering the bill concerning the surtax, may I quote from the same page 6905 (6-9-0-5)—it is not neither a bingo game, Mr. Speaker.—I want to be very clear for our friends. In the second column of this page, we fnd the following words of the hon. member for Villeneuve:

We objected to Bill No. C-193 at the resolution stage. We are still opposed to it, and if the motion for third reading has been rejected by a vote in the House, I see no other way out for the government than to go to the people and ask for their opinion on the way in which the business of the country is to be dealt with.

This, Mr. Speaker, was the final ultimatum, the position that the leader of the Ralliement Créditiste had taken in the House before subsequent consultations.

I do not quite understand. I could quote several other statements of the hon. leader of the Railliement Créditiste which puzzle me because I am sure the members of his party are honest representatives of the people. But I cannot understand that today, when we are discussing the very substance of Bill C-225 which is in fact the repetition of Bill C-193, we find so many contradictions in it that we could believe the words of some people who must represent the population with honesty and loyalty and who say to the House: We stand absolutely alone as protectors of the little man.

We are against the government continuing to impose this surtax on the people.

Mr. Speaker, I say it is not only my right but my duty in this House, especially as a representative of the working class, to protest against this systematic, gradual and repeated tax increase, at the expense of the small wage-earner, of the worker. The steadfastness of Conservative members was put to the test but we have never indulged in petty politics and time-serving as we have seen others do since yesterday on this question.

If the Ralliement créditiste had wanted to spare the population from the effects of a surtax, they should have taken the same stand in 1968, at the time of the vote against the Liberal government, and that same government would no longer be at the head of this country to extend the surtax and taxes against which the Creditistes today seem to stand as champions.

Mr. Speaker, if at that time, the Creditistes had not reversed their position ten times, the government would not have enjoyed the reprieve they owe us and we would have taken a specific honest and clear position. If today we have to stand up again and tell the government: We refuse that tax extension you propose, if we have to do so, it is because the Ralliement créditiste maintained and helped to maintain the Liberal administration under Mr. Pearson.

Mr. Speaker, I am not participating in this debate merely to attack without cause my colleagues in the House, but in order to show the facts as they are, so that such unacceptable and unexplainable contradictions may not be made without rebuttal.

Mr. Speaker, we have only to refer to some newspaper articles. I have here—

Mr. Rondeau: *Montréal-Matin.*

Mr. Valade: —*La Presse.* My hon. friend was wrong once again. Ten mistakes so far, Mr. Speaker. There is nothing new in that. And now one more.

Mr. Speaker, I have here the front page of *La Presse,* dated February 24, 1968, with a big headline which, for our friends' information, reads:

Caouette Saves the Government.

Mr. Speaker, Mr. Caouette saved the government against a Progressive Conservative vote, in order to maintain in office a government that had then decided to impose a surtax on the taxpayers. This is what the newspapers wrote.

In another report published not by *Montréal-Matin* but by *La Presse,* February 24, 1968, on page 47, one could read this:

The Liberal Party owes a great deal to Réal Caouette for his right-about face.

Those are not our comments, Mr. Speaker, but those of newspapermen who had examined the statement made by the leader of the Ralliement créditiste on February 21, along those lines: "The government has been defeated and must resign. It should go before the people". The day after, that is on February 22, he said: "We did not vote against the government we voted against the motion".

Mr. Speaker, this subtility of speech which becomes more and more reproachful (*réprobatrice*)—

Mr. Rondeau: Réprobateur.

Mr. Valade: —this interpretation which becomes more and more difficult for our people to accept now, all the more so since it comes from those who claim to speak the only truth, if the expression is not too strong—

Mr. Rondeau: It is strong.

Mr. Valade: —for my Créditiste friends.

Mr. Speaker, if we are discussing today a bill which affects all Canadian taxpayers and, as explained by the minister, which states that the government's intention is to extend for another year the 3 per cent surtax, it is because the government has enjoyed and still enjoys a majority which it has gained democratically and when it could rely on the support of the Ralliement créditiste. This is why we are still in the same situation and asking the government to consider the situation of the small wage earners and to defer its decision in the present economic situation, when unemployment has raised to levels unequalled in the past, when the economic situation becomes more and more difficult, and when companies find it difficult to "have both ends meet in their administration." After all, all those who have intelligent and technical knowledge of economics say to the government: Stop taxing, because you are in the process of strangling small industry, of strangling the low-salaried worker, of strangling the economic future, the future of Canadian citizens.

Mr. Speaker, that is why we are engaged today in another debate which does not differ at all from that of 1968, which is an exact replica of the 1968 legislation. If at that time some hon. members had shown by their unequivocal attitude that they would never had supported the federal government had it persisted then in its intention to extend the 3 per cent surtax, I am sure that the Canadian taxpayers, the Quebecers and the workers in general, would not now have to dig deeper into their pockets to pay for the exaggerated, extravagant expenditures of the present liberal administration.

Mr. Speaker, I shall spare the House some of the comments I could add to those I have made already. I could quote the many testimonies of people who write to me blaming the liberal government for its policy of economic pressure, not on those who can pay, but on the small wage earner. The Minister of Finance says that the policy advocated in the white paper will result in taxing the rich to give to the poor, but the present bill taxes the poor to make the government grow even richer than it is now.

There is only one thing for the government to do if it needs funds to pay for social legislation and for the dificit caused by the old people pensions: it can cut down on its extravagances and reduce the amounts spent uselessly in some departments.

The government has all the means at its disposal, all the powers needed to impose on the taxpayers all the taxes it deems necessary and valid. The Liberal government will have to remember that if it has all the powers once elected, it does not enjoy this power indefinitely. And if it does not consider the results of increasing taxes from day to day and thus aggravate the situation caused by this heavy burden of taxes accumulating from day to day, it will have to suffer the consequences.

Mr. Speaker, let us ask the members in good faith—as my hon. friend from Matane (Mr. DeBané), whom I want to congratulate publicly for the selfless, frank and loyal work he has done, for many months, to help the population of his constituency to go through very hard times—what they think about it. I want to congratulate the hon. member because he is the kind of public figure who makes a politician's life worth living and he is almost the only one of his kind. I believe that all the other members who represent the working class, the low-earners, must now realize that if they do not stop taxing the man who can no longer pay, one day, and that day may be soon, they will have to pay the price of their blind loyalty to a party, particularly those members who want to warp minds and act as gods, claiming to be the sole possessors of the truth and the sole defenders of the working class.

These irresponsible and unfounded attitudes and statements will only destroy public confidence in politicians and Parliament. I do not believe that this is the best way to serve the people. I therefore strongly urge the Minister of Finance to state, before we vote on Bill C-225, how much money the government has collected and is now collecting through this 3 per cent surtax and if these sums exceed the requirements of the government, let him promise to reduce taxes accordingly on low incomes.

Mr. André Fortin (Lotbinière): On a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Lotbinière.

Mr. Fortin: Mr. Speaker, having heard the speech of the member for Sainte-Marie (Mr. Valade), an insidious speech, with dishonest interpretations which reflect on our privileges as members of Parliament, I think it is my duty to set the facts in their true light. Last night again, the whip of the Conservative party asked one of my colleagues, the hon. member for Compton (Mr. Latulippe), who was the first Créditiste speaker on this tax bill, to shorten his speech to five minutes, ten minutes at the most, in the hope that this bill might pass unnoticed.

Mr. Speaker, we want to set the facts straight and what the member for Sainte-Marie said is false and reflects on our privileges. The fact that I have just disclosed can easily be substantiated by the testimony of the member for Compton who is far more honest than the member for Sainte-Marie.

• (9:00 p.m.)

Mr. Valade: On a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: I recognize the hon. member for Sainte-Marie.

Mr. Valade: Mr. Speaker, I have no intention of raising the question of privilege in respect of the nonsense we

have heard from the hon. member for Lotbinière (Mr. Fortin). But he has stated that I have made false, dishonest, seditious and libellous accusations or whatever. I would like to remind Your Honour that I have quoted extracts from *Hansard*, and the hon. member for Lotbinière has no right therefore to accuse me of false statements since I was quoting from *Hansard*. And if such is the case, then the hon. member for Lotbinière should withdraw his statement or else confine himself to the extracts from *Hansard* which I have quoted.

[*English*]

Mr. Deputy Speaker: Order, please. It seems to the Chair that the hon. member is raising a point for debate rather than a question of privilege.

Mr. Valade: Not in the language used by the hon. member for Lotbinière (Mr. Fortin), Mr. Speaker.

Mr. Cliff Downey (Battle River): Mr. Speaker, Bill C-225 is another of these omnibus type bills that the government is in the habit of bringing in. It proposes an extension of the capital cost allowance to 115 per cent. I think that is all right, though I believe there are other tax concessions that could better improve the business climate and help get new industries off the ground. The fact that the surtax is being continued is, I believe, a deplorable step. It has caused untold trouble in the past, and will in the future. Taxes are creating a psychological depression in this country and are probably one of the main causes of unemployment, strikes and the general dissatisfaction that is so prevalent in the country. When I refer to taxes I refer to the oppressive taxes that are now with us and which are being proposed.

It is constantly being said that more demands are being made upon governments and that since the money to meet those demands has to come from somewhere, taxes must be increased. I suggest the solution is more a matter of priority and business judgment. I think this is no better illustrated than in an incident that occurred in the defence committee some time ago. I do not have the committee reports in front of me, but I refer to five warships for which Canada let a contract. These were dual-purpose ships playing an offensive and defensive role. I think the original estimate of cost for the five vessels was around $156 million—something like $31 million apiece.

These vessels have not yet been delivered because, since we want the latest in equipment, they have had to be upgraded and also we want them to be distinctly Canadian. For them to be distinctly Canadian entailed getting parts of the ships from about five different European countries: we got the guns from Italy, the firing-pins from Holland, and so on. Can you imagine the practicality of a situation like that in time of war? In fact, it went even further than that. Before we took delivery of the vessels we decided to change the engines. Changing the engines involved changing the hulls. The vessels still have not been delivered, and we have an open-ended contract for God knows how much money. I think the cost of these vessels today is something like $20 million each more than the original estimate. We keep talking about raising more and more taxes, Mr. Speaker; but with businessmen in this country making deals like that, there will be no end to increases in taxes.

[Mr. Valade.]

Let me say something about priorities for this country. I was never enthusiastic about the priority given to bilingualism. Although it is important, it is not as important as funnelling large expenditures into solving the unemployment situation. Our bilingualism program reminds me of the story of the lifeguard at the swimming pool who, when told someone was drowning in the pool, replied, "I know. But I can't swim". When asked why, if he was a lifeguard, he could not swim, he replied, "Because I am bilingual".

• (9:10 p.m.)

Some hon. Members: Shame!

Mr. Downey: I suggest that was his qualification, and priorities of this kind—

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member but I should remind him that the House is now considering an amendment to the main motion, that is, for a six months' hoist. The motion before the House is in respect of Bill C-225 which deals with two matters relating to the Income Tax Act. The first part provides for capital cost allowance and the other provides for a continuation of the surcharge. With respect, I ask that the hon. member confine his remarks to these areas of discussion.

Mr. Downey: Mr. Speaker, I was trying to relate my remarks to the reasons behind our tax structure. There has been a great deal of criticism of the Minister of Finance (Mr. Benson). He is only an agent of the Prime Minister (Mr. Trudeau). He has crippled this country with fear in respect of what the future may hold as a result of tax reform.

Let me now refer to the evidence given before the Committee on Finance, Trade and Economic Affairs, volume 80. This evidence was heard in Edmonton, Alberta. Mr. Mannix, of the corporation of that name, was testifying. He referred to his company as a wholly-owned Canadian company which does about $85 million worth of work per year, employing some 2,700 employees. He said:

> I do not think that, at any time, Mannix or the Mannix family have to take a back seat or justify their position. I just want to make that absolutely clear. They have made a real contribution to this country, and I tell you categorically that we would still be dominated by the American organization, would still be restricted as we were being restricted from day to day then—that is why we bought our position back again—if the provisions of the white paper had been in effect then. We would not have been able to attract the talent that we needed.

In reference to talent he said:

> Talent is our main consideration because without it, this country is going to go down. There are already prospects of this country not going to have the second highest standard of living. We are going to have the sixth. This is because our productivity is going down.

We must understand that talent is not captive. Talent is going to move just like capital and it is going to go where the opportunity is. It is going to go out of this country—it is going out of this country—because of the uncertainties created first by the Carter report and, secondly, by the introduction of the white paper and the continuing reiteration of the leaders of our government today that, come hell or high water, we are going to have this act put into effect.

In relation to the high tax it is interesting to note that a brief was presented to this committee by the business class of Western University. It stated that out of 104 people in that business class at the Western University, 100 are going to the United States because after analyzing the white paper they could not see an opportunity to operate in this country in a proper manner. This is a direct result of taxation. I suggest we will be left with the drop-outs and those who cannot help themselves. Let me give some examples of this. The evidence given by Mr. Connelly to the committee, as recorded at page 38 of volume 80 of the committee's report, with regard to the city of Edmonton was as follows:

You all know in this city the case of Ron Banister—Ron Banister has said that I could mention his name. He has sold out his company to a computer organization in Pennsylvania because he is frightened of the implications of the white paper and the capital gains tax. They got into trouble like most computer organizations. He was asked if he would come back and be president of this company. He said he would if he could operate from the city of Edmonton. The employers of this company said that was all right but on examination found out that they would have to pay the key people $10,000 more a year to equate their salaries—not the living expenses, just their salaries in moving to Edmonton. The executive vice-president found out that if he moved down to Minneapolis he would have $7,000 more a year to spend after tax paid. The result was that there was no way this organization could stay in Edmonton, so it has moved to Minneapolis.

We hear a great deal of talk about nationalism today. I mentioned in the House the other day that it is very necessary that this government develop a plan to initiate a sound economic policy for our citizens. My reason was that for the most part today conservativeness is the result of the investment of capital rather than increased labour. If we are to find any solution to the problem of increased taxes and unemployment, with attendant welfare difficulties, we will have to come up with an economic plan to enable the workers of this country become shareholders in our industries.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, it is most interesting tonight to speak on the amendment introduced by one of my colleagues a short while ago to the effect that the passing of this bill be delayed another six months.

Mr. Speaker, the Créditistes who have spoken before me today have perfectly well asserted their party's point of view in this House, as again they have had the opportunity of doing it previously.

The proposed amendment tends to delay for a period of six months the passing of a bill to continue the application of the tax proposed by the government in March 1968.

Mr. Speaker, if we remember well, this so-called "social development tax" was supposed to be a temporary measure.

And today we see that the government wants to make it a permanent tax. I believe the government's policy in this regard shows very clearly that it was not able to achieve social development through this tax within the period anticipated—by December 31, 1970. The government expected to establish social development in Canada through that tax. Today, because it has not been possible to achieve that goal the government wants to re-apply the tax, extend it for another year, but we know very well the tax will become permanent.

I want to use official records to place the House within the context of events which led to these taxes.

I should like to correct the innuendoes made by the hon. member for Sainte-Maire (Mr. Valade) about the Ralliement créditiste. He took advantage only of what interested him and he did not speak the whole truth in this House.

• (9:20 p.m.)

We know very well what was said in this House by reading *Hansard* not only for the one day which is of interest to us but for all the days when this subject was discussed.

On February 19, 1968, the government had brought before the House Bill C-193 to establish the so-called "social development tax".

We know that the vote on that day had brought on the defeat of the government, that a majority of the hon. members in the House had voted against that tax, and we can see from the vote that, as the hon. member for Sainte-Marie has said, the Créditistes, like other members of the opposition, had contributed to the defeat of the government.

And we can continue our reading of hansard. On February 21, 1968, as shown on page 6905,—the one quoted by the hon. member for Sainte-Marie—my chief, the hon. member for Témiscamingue (Mr. Caouette) stated, and I quote:

—There is but one way out, and that is to go to the people—

And before, also on the same page, the hon. leader of the Ralliement créditiste stated, and I quote:

If we believe that in a democracy, parliament is the real sovereign of the country, we may say, in the present circumstances,—

—that is the circumstances of February 21, 1968—

—that the government has been defeated by a parliamentary majority and that it should resign.

He was saying this on February 21, 1968!

On February 23, the present right hon. Prime Minister (Mr. Trudeau), then Minister of Justice, promised this House to rescind this bill and repay Canadian taxpayers the money that had been illegally collected through the bill that had been defeated the night before.

I have here the text of the statement made by the then hon. Minister of Justice, as reported on page 7042, and I quote:

I will even go further, and I will say that it is not only the government's intention not to reintroduce this legislation, but that it is firmly determined to credit the taxpayers with the money they have paid under the bill.

The government recognizes that it is the will of this house not to collect taxes this way.

Therefore, it is saying clearly and plainly to the taxpayers: The money you paid legally under this legislation, that money will be credited to you. It cannot be clearer than that.

The then Minister of Justice made that statement on February 27, 1968.

On the same day, as we were discussing the same bill, the members of the Ralliement créditiste were not yet convinced by the hon. Minister of Justice's promises. They wanted more and the hon. member for Kamouraska proposed an amendment, as one can see on page 7073 of the *Hansard*, and I quote:

That the motion be amended by adding immediately after the word "government" the following words: And that the government will not present again the said bill in this current session, and that it will credit the Canadian taxpayers with all the sums that have been collected since January 1, 1968, in anticipation of the provisions of Bill No. C-193.

That was not only a verbal guarantee given by the government but it was in the statutes, a garantee whereby the Ralliement Créditiste members had forced the government to accept this amendment. Consequently, the Canadian taxpayers have been relieved from all the taxes referred to in the bill and its amendments.

I have with me Le Petit Journal of March 3, 1968 which stated, and I quote:

Caouette wins. It is easy to say—

—here is the parenthesis made by the member for Sainte-Marie (Mr. Valade) tonight—

It is easy to say that Réal Caouette allowed himself to be bought by the government's ministers during the current Ottawa crisis. Only a blind partisanship, such as that of the conservative party, can inspire such statements. Mr. Caouette has always said that he was against the 5 per cent tax whatever the motion debated and whatever the party in power. In fact, this parliamentary impasse made the creditiste leader all the greater: He was the only one who thought of requiring from the government the promise that a rebate would be made on illegally collected taxes.

Mr. Speaker, I have also with me an article of *Le Droit* of February 28, 1968, signed by Gérard Alarie of the Canadian Press, who stated:

The 5 per cent surtax for the period from January 1, will amount by the end of March to about $25 million, and the members of the Ralliement créditiste demand that the taxpayers be reimbursed that money.

Mr. Speaker, tonight, the hon. member for Sainte-Marie misled the House when he quoted a statement from the then hon. member for Villeneuve, now the hon. member for Témiscamingue, who said that, in the circumstances, it was true. But the next day they had changed, and finally—

Mr. Valade: Mr. Speaker—

[Mr. Rondeau.]

[*English*]

Mr. Deputy Speaker: Order. The hon. member for Sainte-Marie (Mr. Valade).

[*Translation*]

Mr. Valade: Mr. Speaker, I rise on a question of privilege. I do not want to limit my hon. friend's diatribe, but I believe that the Standing Orders do not allow him to say that I have misled the House. I quoted from *Hansard*, giving the page numbers and the hon. member himself is not authorized to mislead the House while accusing another hon. member of doing precisely that. If he wants to tell lies, that is his own business, but I feel that Mr. Speaker should see to it that the remarks of the hon. member are put in their proper context.

• (9:30 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. The Chair knows both hon. members well and realizes there is no intentional desire on their part to mislead the House. It is a matter of debate. Hon. members can have strong feelings on the matter of debate and the Chair respects that feeling.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I was in the process of proving my point, and not through my own statements, but through the statements of others. Moreover, the reimbursements were made effectively, as the Ralliement Créditiste because of its honest and positive attitude, intended to help the low-salaried, has saved the Canadian taxpayers $25 million, an amount that had already been collected, and also prevented the government from assessing the taxpayers for an amount of $125 million, an amount that they would have had to pay if this tax had not been abolished at the request of the Créditistes.

Mr. Speaker, when all these votes were over and the government had made promises to us as can be seen in *Hansard*, it should not have presented again a bill of this kind during the same session. We had faith in the word of the government, but we demanded at the time much more than promises. As a matter of fact, we had the House adopt the motion of the hon. member for Kamouraska asking for the withdrawal of the bill, but on March 15, 1968, the government introduced again in the House bill C-208 and it can be seen at page 7676 of *Hansard* of March 15, 1968, that the leader of the Ralliement Créditiste, the hon. member for Kamouraska, as well as the hon. members for Roberval, for Portneuf, for Lapointe, for Mégantic, for Abitibi and for Compton all voted against it. They all voted against this tax which the government wanted to continue imposing, in spite of its promises, but they were Créditistes.

I notice that tonight, the one who wants to gloat about defending the poor, the hon. member for Sainte-Marie, was not in the House at that time and did not vote against the 5 per cent tax which was imposed by the government on March 15.

I also note, Mr. Speaker—

Some hon. Members: Shame!

Mr. Rondeau: Shame indeed! Not only the hon. member for Sainte-Marie, but also the hon. member for Charlevoix were absent. There might be some extenuating circumstances. The hon. member for Sainte-Marie is content to denounce the Créditistes, but he has never done what the Créditistes have done for the present poor, who are overtaxed by this government and also by the previous administration.

When we want to have the truth in this House, we must use official documents, study the background of the bill and record all the votes on such taxes.

This bill, which unfortunately we must discuss again, is a continuation of the bill of March 15, 1968, which was passed while the hon. member for Sainte-Marie was not here.

Mr. Speaker, we do not have to put up with any lecture from the hon. member for Sainte-Marie. We know full well what we have to do in the House and we are doing it.

And we need not be ashamed today of what happened in 1968, because if the present government wanted to withdraw the bill now before us, we should do the same because we are not here to indulge in petty politics and empty talk but to represent our constituents who are fed up with these farces and old political gimmicks, and with taxes.

In fact, when you are in the opposition, as the Conservatives are, you keep accusing the government but you have no financial solution to propose. We of the Ralliement créditiste have solutions concerning taxation, we do not tell the government: Call an election. We were elected here supposedly for five years, and if bills introduced by the government had to be withdrawn under special circumstances, because it did not have a majority, so much the better. This goes to show once again that the minority government in 1968 was more favourable to Canadians than the present administration which relies on its majority, conscious of the fact that it will thrust on the Canadian people the bill under consideration today.

A majority government like the one we now have is imposing on the people taxes which are too heavy to bear. But in 1968, the government had to listen to the voice of the opposition, of the Ralliement créditiste, and withdraw its bill. Our constituents have congratulated us ever since then. They never blamed us; on the contrary, they understood that the Ralliement créditiste had thought of all the taxpayers, of all the workers who would have to pay those taxes, who would have had to pay out $125 million and would never have collected the $25 million illegally obtained by the Liberal government. The government of the time was so sure that its bill would be adopted that it had already started to collect the taxes. And that is why our constituents were pleased with the attitude of the Ralliement créditiste in the House, and why we are not afraid to call for a vote tonight, tomorrow or in a few days, on this amendment. We are not afraid to vote against this 5 per cent tax that the government forces us to discuss presently.

An hon. Member: 3 per cent.

Mr. Rondeau: 3 per cent.

Mr. Speaker, we are anxious to vote against this tax, because our constituents are equally anxious to vote against this majority government which knows only how to levy new taxes.

• (9:40 p.m.)

Mr. Gérard Laprise (Abitibi): Mr. Speaker, this evening, I would like to thank my colleague from Portneuf (Mr. Godin) for his amendment which was intended, in some way, to cancel the effects of the bill. Why? Because we consider that this bill is a continuation, as has been said many times this afternoon, of an Act which was supposed to be temporary.

As is often said, there is nothing more permanent than the temporary. Tonight, we would like to deny the truth of that saying, so that the electors, the taxpayers, the Canadians who are crushed under the tax burden may obtain some relief.

In 1942, during one of the first federal-provincial conferences held here in Ottawa, a former conservative leader made a statement which I liked very much. This statement made in 1942 by Hon. John Bracken was true then, and it is also true today. The Premier of Manitoba at the time stated as follows:

> Our present system of taxation seems to have been based on the Gospel promise: "For whosoever hath, to him shall be given, and he shall have more abundance: but whosoever hath not, from him shall be taken away even that he hath."

This is quite like our fiscal system, Mr. Speaker: taking from the Canadian workers, particularly from the taxpayers, rather than from the large companies. It is not the one who cashes in fat dividends each year that pays the highest taxes, but the workers. I call to witness the parliamentary secretary to the Minister of Finance (Mr. Mahoney) who, on March 3, said what follows about the bill before us, as recorded on page 3624 of *Hansard:*

> While the cost to the treasury of this measure is estimated at $25 million for the 1971-72 fiscal year—

This means that the bill will allow large industries more depreciation on their equipment. This way, they will save $25 million this year, while if the bill before us is passed, it will cost the small taxpayers $245 million.

This prompted Mr. Bracken to say in the 40's:

> This ill-balanced fiscal system transfers the income of those receiving a relatively low salary to those who have relatively high income. The return from indirect taxes levied by the federal government is to a large extent allocated to the payment of the interest on the national debt—

Mr. Speaker, that was the case in 1942, and that is more true still in 1971.

The premier of Manitoba went on to say:

> Thus we see in this case the income of relatively poor persons go to those who are relatively rich. We will never build up a strong fiscal system in Canada by taxing those with a low income to the benefit of those with high income.

Division

Mr. Speaker, in connection with the 1971 budget, Information Canada has published a brochure entitled "How Your Tax Dollar Is Spent". That publication explains how a good part of the income of Canadian workers is spent by the government.

Under the item "Public Debt", it is indicated that Canada's debt amounted to $38 billion in 1970.

In 1971, the national debt is going to cost $1,995 million, that is almost $2 billion in interest. I am not speaking here of provincial, municipal and school debts, but of the federal debt: $1 billion in interest. And paid to whom? Not to lumberjacks, miners, farmers, construction workers, white collars, but to the rich financiers, those who can afford to buy huge quantities of Canadian bonds. Those are the people, the sharks, who will get those $2 billion in interest which Canadian workers will have to pay through general taxes, income tax, sales tax on building materials and manufactured goods of all kinds: indirect taxes, excise tax and many others, that cannot all be named.

And I forget to mention the few taxes that corporations or some businessmen must pay. We know very well, Mr. Speaker, that these taxes are included in production costs. The consumer is the one who must pay them eventually. So it is always the underdog who pays taxes.

We are fed up with this situation and we want to relieve the Canadian taxpayer of this 3 per cent surtax that would be extended by bill C-225.

This is why my colleague from Portneuf moved this amendment, this is why I support it and this is why my other colleagues of the Ralliement Créditiste also support it, so that this surtax not be levied again for fiscal year 1971-72.

We must take a stand on this and we must take the vote on this amendment so as to know who is in favour of Canadian workers and who is against them.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

The House divided on the amendment (Mr. Godin) which was negatived on the following division:

• (9:50 p.m.)

YEAS

Messrs:

Alexander
Asselin
Beaudoin
Bell
Bigg
Burton
Crouse
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Flemming
Fortin
Gauthier
Godin
Grills
Gundlock
Hales
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
MacInnis (Cape Breton-East Richmond)
MacLean
McCleave
McKinley
Matte
Mazankowski
Murta
Nesbitt
Nystrom
Peddle
Ricard
Ritchie
Rodrigue
Rondeau
Rowland
Saltsman
Scott
Skoberg
Skoreyko
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Yewchuk—49.

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Breau
Brown
Buchanan
Cafik
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Richelieu)
Crossman
Cyr
Davis
Deachman
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Faulkner
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Guay (Lévis)
Guay (St. Boniface)
Hopkins
Howard (Okanagan Boundary)
Hymmen
Kaplan
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Morison
Munro
Murphy
O'Connell
Olson
Orange
Penner
Pepin
Perrault
Pringle
Richardson
Roberts
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
St. Pierre
Sulatycky
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Whelan
Whicher
Whiting
Yanakis—91.

• (10:30 p.m.)

Mr. Speaker: I declare the amendment lost. It being ten o'clock, a motion to adjourn the House is deemed to have

been moved and seconded at this time. The question is therefore that this House do now adjourn.

Mr. Bell: Mr. Speaker, on a point of order, I would like to bring to the attention of the House the fact that today is the Clerk Assistant's birthday. We hope he will have many more such happy occasions.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

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

VETERANS AFFAIRS—REQUIREMENT THAT WAR VETERANS ALLOWANCE RECIPIENTS APPLY FOR GUARANTEED INCOME SUPPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I was hesitating for a moment in the hope that we might have a speech from the Clerk Assistant on this happy occasion.

On Tuesday, February 16, as recorded in *Hansard* at page 3428—

An hon. Member: We are all leaving, Stanley.

Mr. Knowles (Winnipeg North Centre): —I put the following question to the Minister of Veterans Affairs (Mr. Dubé):

> In view of the anxiety expressed by many veterans 65 years of age or over who are receiving war veterans allowances because of a notice to the effect that they must apply for a guaranteed income supplement or be regarded as doing so, will the minister make a statement as to why this is being done and the authority for it?

In his reply the minister referred to the increases that are to take place in disability pensions and war veterans allowances in April. He also made reference to the relationship between these payments on the one hand and old age security and the guaranteed income supplement on the other. I then put to the minister the following supplementary question:

> Will the minister check into the aspect of the notice which tells these veterans that they must so apply and that if they do not do so they will be regarded as having done so? That is the point on which we would like to have an explanation.

I thank the hon. Minister of Veterans Affairs for his attendance tonight to deal with this question. I recognize that he has been here two or three nights for this very purpose, but storms and votes and other incidents have washed out the "late show". Tonight, however, we are here—and in view of the storm we might be here all night.

Mr. Speaker, it is quite clear that when a veteran over 65 years of age is on the war veterans allowance it does not matter, in terms of the total dollars he will receive, whether or not he applies for and gets the guaranteed income supplement. It does not matter because of the

means test ceiling in the War Veterans Act. Thus, if a veteran is drawing old age security and war veterans allowance, the war veterans allowance will bring his total income up to the permissible ceiling. If he applies for and obtains the guaranteed income supplement on top of the old age security, the amount of his war veterans allowance will be reduced. But the total will be the same. We all recognize that and there is no argument about it.

It is also understood that if there are no hitches, the war veterans allowance rates will increase in April of this year. When these rates increase, so will the ceilings on total permissible income. The ceilings will become $161 a month for the single war veterans allowance recipient, and $271 a month for the married recipient. I have the figures in front of me, but it is not necessary to give them all tonight. The fact to which I alluded earlier stands, namely, that either a combination of old age security and war veterans allowance, or a combination of the three, old age security, guaranteed income supplement and war veterans allowance, will come out to the same total.

• (10:40 p.m.)

We are not arguing about the number of dollars that a veteran will receive, married or single, if he is 65 or over. But a great many of these veterans feel that it is unfair for them to be told that they must apply for a guaranteed income supplement. That is the word that has been given to them. They have been told that if they do not apply they will be regarded as having done so and their war veterans allowance will be cut back accordingly. It will be readily recognized why veterans do not like this.

Money received as war veterans allowance is not subject to income tax. Money received as old age security and guaranteed income supplement is subject to income tax. Veterans, therefore, between the ages of 65 and 70 who do not get the exemption level that they would get if they were over 70, could be subject to income tax if they were on the guaranteed income supplement in a way that would not be the case if they were on the war veterans allowance.

There is also some question about fringe benefits of one kind or another that go with being on the war veterans allowance. There is also some question of what happens if a veteran goes out of the country because a friend may invite him to go down south for the winter. The fact is that continuing to draw the guaranteed income supplement is more difficult than continuing to draw war veterans allowance. On top of all this, Mr. Speaker, there is something that I hope we in this House still respect, namely, the pride of the veteran—who likes to be treated first of all as a veteran. Therefore, I share in the objection that many veterans have been expressing. We have all been getting these letters as a result of the notice that the veterans have been sent, which has not told them that they must apply for the guaranteed income supplement but it is practically that. They have been told in this notice, "If you do not apply, you will be regarded as having done so."

I hope that the minister will explain this question in a way that will be satisfactory to the veterans concerned and I hope, also, that he will tell us by what authority this has been done. Is it under the authority of the War Veterans Allowance Act? Where can we find that authority? Veterans have been told that if they do not apply for a guaranteed income supplement, they will be treated as if they have done so.

A great fuss and to-do was made when the guaranteed income supplement was brought in, and it was said that it would not be affected by moneys received by way of war veterans pension or war veterans allowance payments. Just the reverse actually happens. Once you get the guaranteed income supplement, that affects the war veterans allowance. Most of us in the House think that this is not fair treatment. The whole issue will come before us when we discuss the proposal to increase the war veterans allowance rates. I hope that tonight the minister will have for us an explanation that will be satisfactory to the veterans. They are concerned and they deserve an explanation.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, on December 2 last, when I had the pleasure of announcing a 10 per cent increase in the basic rate of veterans disability pension and a 15 per cent increase in war veterans allowance, both effective April 1 next, I also announced a change in procedure.

I pointed out that the regulations would be changed to provide that WVA recipients who are also eligible for old age security and the guaranteed income supplement would be deemed to be receiving the full amounts to which they are entitled under those programs. The allowances of these persons would then be adjusted to supplement their OAS and GIS payments to bring their incomes up to the new WVA ceilings. This use of funds available under the Old Age Security Act provides one of the means of financing the proposed increases in rates of war veterans allowances.

Accordingly, last month notices were sent to veterans affected and also to civilian war allowance recipients advising them to make application for benefits under the Old Age Security Act if they had not already done so. They were reminded of the importance of making this application in order to avoid a loss of income. The new procedure is to be effective as of April 1, the same date as the increases. Some details are still being worked out, but the change will be effected through amendments to the war veterans regulations and the civilian war allowance regulations, which will be available before the effective date.

May I add, Mr. Speaker, that the change in procedure will be handled in a humane and reasonable way and as flexibly as the circumstances permit. For example, in the case of a veteran who made application for GIS before April 1, but is not yet receiving it, the procedural change will be postponed until the Department of National Health and Welfare begins his GIS payments. These particular will be spelled out in the regulations. Furthermore, treatment rights of these veterans will be preserved through amendments to veterans treatment regulations. As to income tax, of course I cannot anticipate future government fiscal policy but past performance would indicate that this matter will be taken into account.

[Mr. Knowles (Winnipeg North Centre).]

It is difficult to answer in three minutes all the questions the hon. member has raised, but I have done my best in the circumstances.

[*Translation*]

INCOME TAX—NEW ASSESSMENTS FOR 1968 AND 1969

Mr. Roland Godin (Portneuf): Mr. Speaker, the question I asked on February 17, which appears on page 3482 of *Hansard,* was based on a request from my constituents who wanted me to make their views known about the income tax return forms which were addressed to them recently.

If some thieves are notorious on account of their craftiness or cleverness, such is not the case with this government which shows a lack of imagination on the part of its Department of National Revenue.

In point of fact, Canadians are robbed in broad daylight by the Department of National Revenue. The minister with his relatively large staff recently decided that during the department's slack periods, some files would be reviewed, and I was told the following on that subject by a departmental officer in a letter dated February 15:

> The control of claims for expenditures incurred away from home is part of our ordinary auditing. During the year, we expect to check 9,000 such claims for the whole of Canada.

Now, Mr. Speaker, the persons mostly affected in my riding of Portneuf up to now, because of this new procedure, are truck drivers. Once more, the government is after one of the most hard-working classes. Once more, the government is after an active and alert group to which we owe a great part of the economic activity in this country.

The government is getting after people who, apart from being away from home 95 hours a week, must very often sleep in their trucks. This class is at a disadvantage because under the new rules, the government forbids them to deduct the price of a meal a day, which they were allowed to do during the years 1968-69.

Among the dozens of persons who wrote to me to tell me of their problems, I shall mention the special case of a man who drives his truck between Portneuf and Montreal and back again.

Since the worker must leave home at three a.m. to come back at 9 p.m. on the same day, it often happens that he takes three meals daily outside home. Having travelled between Portneuf and Montreal during 265 days in 1968, he had given the approximate cost of his meals that is $1.15 for breakfast, $1.65 for dinner and $1.75 for supper, the total cost figured for his meals on his income tax return amounting to $760, an amount which had then been accepted. But in November 1970, the Income Tax Branch of the Department of National Revenue sent him the following letter:

As a result of the information obtained from your employer, we intend to amend your expenses as follows: Year 1968: Former expenses $760; Amended expenses $500.

Finally, Mr. Speaker, the department that had accepted the amount of $2.90 per day was simply reducing it to $1.70.

Mr. Speaker, I believe we are witnessing something very loathsome. We must not forget that at that time, a friend of the government such as Jean-Louis Gagnon who was vice-president of a commission was given a salary of $25,000 per year and $6,000 for expenses. Furthermore, Mr. Speaker, members of the Standing Committee on Public Accounts have seen hotel bills for $65-a-day rooms and $12 meals paid by the Canadian government for some CBC employees. To me, this is having one law for the rich and one for the poor.

CBC employees get $12 meals and $22-a-day rooms are provided for members of commissions that, finally, are not worth much to us, while truck drivers who work 95 hours a week are being refused an income tax deduction for meals totalling $2.90 a day.

If that is not fraud, I wonder what it is.

Some civil servants of the department with whom I discussed the matter recently told me they really questioned the honesty of that type of behaviour, but civil servants have family obligations and therefore cannot express their views. And so, to protect their jobs, even if their work does not make sense, they must crawl before their bosses.

In pointing out that shameless manipulation, I wish to draw the attention of the minister concerned, who has the necessary authority and can make his intentions known in this regard.

And frankly, Mr. Speaker, I would be pleased to know as well whether the truck drivers can hope to have the right to eat three times a day.

• (10:50 p.m.)

[*English*]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of National Revenue (Mr. Gray) regrets very much his inability to be in the House tonight and has asked me to respond to this question for him. I would also advise the hon. member that a detailed response to the representations that he has made tonight will be sent to him personally at a very early date.

Meanwhile, the hon. member may be assured that the 9,000 audits referred to in the question he asked originally—and presumably the instance that he cited this evening was an example of one of those—are simply desk audits in the ordinary course of the department's 1970-71 reassessment program pertaining to the returns of taxpayers who have claimed deductions from taxable income of personal living expenses while away from their ordinary place of residence. This is part of the regular departmental procedure to assure that our self-assessing tax system works properly.

Again I assure the hon. member that a detailed written answer will be delivered to him by mail in the very near future.

FINANCE—USE BY PROVINCES OF CAPITAL WORKS LOAN FUND TO COMBAT UNEMPLOYMENT

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, tonight represents two "firsts" for me. This is the first occasion on which I have spoken in the "late show", as we call it, and it is also the first occasion on which I have attended the late show. I should like to thank all hon. members who have remained for providing me with a warm and interested audience.

I was not satisfied with the answer the Minister of Finance (Mr. Benson) gave when I asked a question in the House this afternoon—that he did not have at hand the information which I requested. I much regret that I was unable to give him prior notice of the question, because one would not have expected the information to be readily at hand. The real defendant, if I can put it that way, in the issue I am raising is not the federal government but in fact the government of the province of Ontario.

The matter arose when last December the government introduced a budget which was designed to stimulate the economy to provide an expansionary thrust, and in particular to provide a considerable amount of relief for unemployment across Canada. Involved was a fund, originally of $150 million, subsequently increased to $160 million, which the federal government was offering to the provinces of Canada to assist in capital works not otherwise planned to be carried out and which would immediately provide employment.

Hon. members will recall that at that time the seasonally adjusted unemployment figures were the highest of that bad period, higher than they are now. Some of the provinces of Canada responded seriously and immediately to that offer. The governments of British Columbia and Quebec have repeatedly indicated that they are interested, on behalf of the unemployed people of their provinces, in taking up the share which was made available to them.

Three months following the budget, the province of Ontario has not given any indication that it intends to use any part of the $17 million which has been made available by the federal government. In fact, it was not until February 4, two months after the budget debate, that the province of Ontario decided on the allocation to municipalities in Ontario in respect of this amount. I do not blame the municipal politicians in the city of Toronto for being discouraged: it was not their fault that the provincial government had not responded. Why did Queen's Park wait for three months to indicate the allocation of this money in so far as municipalities are concerned? Why have the people in Queen's Park waited three months, during which time this money has been working in other provinces, to do something about unemployment in the province?

I know there has been a Progressive Conservative leadership convention in Ontario which has kept all members of the Ontario provincial cabinet busy. That leadership convention is now over and I think it is time Queen's Park turned its attention again to these problems. It is time the Ontario government responded to this offer by the federal government and made an effort to use the capital offered to assist the unemployed of this province, particularly those in the city of Toronto.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am sure that the hon. member for Winnipeg North Centre (Mr. Knowles) will join me in welcoming the hon. member for Don Valley (Mr. Kaplan) to the company that we usually keep at this hour in the House.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Mahoney: I am happy to report briefly upon how provincial governments have developed plans to employ funds provided by the special development loan program announced in the December budget. I should advise hon. members that statistical figures now available to us have resulted in a second formula for allocation of the funds, and the provinces have been invited to choose the more favourable of the two amounts indicated by the calculations. As a result, in the supplemental estimates tabled today we propose increasing the total of the program to $160 million from $150 million. We also propose, at the provinces' request, to increase the period of repayment of the loans to 20 years from 15 years. The rate of interest charged on loans granted this month will be 6.79 per cent which is, of course, a lower rate than that at which the provinces could otherwise borrow money. In summary, agreements have been reached, or are imminent, for allocation of about $100 million of the total, and provinces have been able to proceed on this basis. We would expect approval of additional amounts soon. Any funds unused by one or more provinces will be reallocated to the others.

The province of Quebec has signed a letter of agreement for its entire $70.3 million share to construct sections of the autoroute through Montreal, part of the TransCanada Highway. Work has been under way for several weeks. Three Nova Scotia highways projects for the total allotment of $4 million are approved. Twenty-nine applications for projects, worth $7.8 million, in 13 British Columbia municipalities are being processed, and we are processing 11 Manitoba applications totalling $5.8 million. We have discussed projects with Alberta and Newfoundland and expect their formal applications within a week. We have discussed typical, but not specific projects with Ontario, whose share is $17 million. We await Ontario's applications. The Saskatchewan government has expressed doubt about its participation in the program, and we have no clear indication yet of the intentions of New Brunswick and Prince Edward Island.

Motion agreed to and the House adjourned at 11.01 p.m.

HOUSE OF COMMONS

Friday, March 5, 1971

The House met at 11 a.m.

THE PRIME MINISTER

CONGRATULATIONS ON MARRIAGE

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I apologize to the House for not having given notice yesterday of the intention of our esteemed Prime Minister to get married.

Some hon. Members: Hear, hear!

Mr. Sharp: The trouble is he did not consult the members of his Cabinet on this essentially private affair, but I am sure all members of the House will join me in wishing great happiness and long life to the happy pair.

Some hon. Members: Hear, hear!

• (11:10 a.m.)

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Leader of Her Majesty's Loyal Opposition I join with the Secretary of State for External Affairs in extending deep and warm congratulation and good wishes to the Prime Minister and his bride. I was surprised, however, that he made an admission that the cabinet was not consulted. That apparently is not an unusual course for the Prime Minister, but in this case more understandable than usual. My suggestions are not often accepted by the members of the government, and in particular the Prime Minister, but I think the House would want to know what I said on the occasion of my 30th year in the House of Commons, on March 25, 1970 when in response to the warmth that often fills this chamber I stated:

> I do not want to mention personal matters, but on an occasion like this, filled with emotion, I do want to say that one's happiness is greatly increased by having a wife to support and to counsel one. I am not passing that on to the Prime Minister by way of a suggestion but I say to him that if he would follow my advice in that connection he would be amazed at the transition that would take place.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I wish to the Prime Minister and his bride the happiness that has been that of my wife and myself. The bride is the daughter of one of the most distinguished members this House has seen in my time. He was elected for the first time in 1940 during his honeymoon. Some years thereafter I recall seeing the bride of yesterday in the gallery opposite you, Mr. Speaker. She then was about 4 or 5 years of age. It was one of those occasions when there was an interruption from the gallery, dissimilar however from that which took place yesterday. In a voice which could be heard all over the chamber she said, "There's my daddy".

All hon. members will join in wishing the couple all that is good, with the happiness of today to be theirs always.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Acting Prime Minister need not have apologized for not having notified the House yesterday that the Prime Minister intended to embark on the sea of matrimony. We in the opposition parties are now accustomed to the Prime Minister doing things without giving us any advance notice. The fact that he did not inform the cabinet is understandable. They would probably have insisted on the matter being considered by a study session, followed by a task force, and brought to a conclusion by a white paper, after which nothing would have been done.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I suggest that at the Prime Minister's age such delay is unthinkable.

It is a matter of great pleasure to those who come from British Columbia that the Prime Minister should have chosen a girl from British Columbia as his wife. This will help to cement relations between the two provinces of Quebec and British Columbia. I know that the people of B.C. will be very pleased at this event. I am sure that members of the NDP join all members in the House, and the people of Canada generally, in wishing both the Prime Minister and his wife every happiness in the years ahead.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we were both surprised and pleased to learn that the Prime Minister (Mr. Trudeau) had changed his civil status. On this important occasion, we wish to offer him and his bride our most sincere wishes for happiness and success in their new life.

Mr. Speaker, according to the Bible, it is not good for man to live alone. The Prime Minister has understood this and he has chosen as his bride a Canadian girl from a worthy and eminent family, and we are happy about this.

I would also like to recall that the hon. member for Nanaimo-Cowichan-The Islands and leader of the New

Democratic Party (Mr. Douglas) has said that the fact that the Prime Minister has married a girl from British Columbia gives us reason to hope that the bonds that unite Canadians will no longer be broken because of the vastness of this country.

Mr. Speaker, we are both moved and happy about the decision of the Prime Minister and we hope that every time he goes off like this to meditate in hiding on his status, some change will be brought about in Canada's policies.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Fourth report of Standing Committee on Justice and Legal Affairs, in both official languages—Mr. Marceau (on behalf of Chairman.)

FINANCE, TRADE AND ECONOMIC AFFAIRS

Tenth report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages (Mr. Clermont).

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

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[*English*]

URBAN AFFAIRS

TABLING OF REPORT, "URBAN CANADA: PROBLEMS AND PROSPECTS"—STATEMENT BY MINISTER

Hon. Robert K. Andras (Minister without Portfolio): I would like to table in this House and for public discussion a document entitled "Urban Canada: Problems and Prospects". It is a report commissioned by me and prepared by Dr. Lithwick of Carleton University, along with many associates. In the year since Dr. Lithwick produced his first draft, he refined the report and the government has considered its many public policy ramifications.

The document was sent recently to the premiers of the provinces with which governments a process of discussions about new ways to approach urban problems has already begun. This is Dr. Lithwick's study; the analysis and conclusions are those of a consultant, not of this government. It should not be read as representing government policy. It is the first attempt at a comprehensive overview of Canada's documentable urban problems, the separately known aspects and conditions of urban life analyzed in a total context as they affect each other.

• (11:20 a.m.)

The commissioning of the study was an important step by the federal government to explore and document the nature of urban Canada, and to understand the rather phenomenal pace at which we are speeding toward giant cities and urbanized life in this country. The author makes no claim that this is more than an exploratory study. It has, however, influenced the government's thinking about the directions of urban Canada as a matter of national concern. Perhaps I might highlight, in the most general of terms, the report's principal findings.

On Canada's urban problems the report suggests that our urban problems are serious and getting worse, but they can be handled. They are still manageable and we have brilliant opportunities in this country to shape and direct an urban future of our choice. There has generally been a basic lack of understanding of the root causes and indirect consequences of major urban problems. These major problems of high housing costs, slums, traffic congestion, pollution and social unrest are greatly interdependent, and they are in large part a consequence of untempered economic growth and urban expansion.

On Canada's urban prospects the report suggests that urban growth will continue to be very rapid, and will be increasingly concentrated in our largest and most problem prone cities. Within 30 years, without applying some shape, direction and planning to that growth, one half of Canadians will reside in the three metropolitan areas of Montreal, Toronto and Vancouver. The most severe growth pressures will occur in this current decade; they are in fact right upon us now. The complex of urban problems that flow from this growth can well reach very serious proportions, as they have in other countries.

On Canada's capacity to solve these problems, the report says that there has been great fragmentation of federal efforts in the cities, and this has led to sometimes contradictory and sometimes perverse results. However, the co-ordination of the vast federal involvement in urban Canada provides a most important starting place for guiding future patterns of urban growth. The report mentions that policy making at all levels of government has failed to prompt governments to act in concert on the many problems requiring joint action and thought. The tools for dealing with our present and future urban problems are at hand, but the current lack of policy co-ordination within and between levels of government means those are not being used.

The report and the related studies led the government to a decision to seek to put our federal house in better order and to work with the provinces and, through them, with the municipalities, to find better ways to confront what had become national problems. The government is developing a new type of institution to deal with this kind of multifaceted problem, and that is the ministry of state. The ministry of state is a flexible instrument that can bring multidisciplinary insights to bear on complex problems without grouping them into the rigidity and constraints of yet another big government bureaucracy.

In urban affairs, the ministry of state will be a source and a focus for the development of comprehensive federal policies that will let our left hand know and affect what our right hand is doing in urban matters in Canada.

People are now working to institute a real co-ordination of federal policy efforts in the cities. We are now building a strong research capability that will allow policy analysis and development to proceed systematically on the best available information. This research function will include the capacity to test—I repeat to test—specific policies before major new financial or administrative commitments are made.

One important role will be to clarify to other departments the consequences of the different federal policies being implemented now and in future. Mechanisms for determining Canada's urban objectives through intergovernmental consultations are now being explored, and the ministry will devote much of its efforts to consultation, with the objective of joint co-ordination and rationalization of efforts between the federal and other levels of government.

I want to repeat what I have said many times, that this work is going to be supportive, co-operative, usurping no jurisdictions, imposing no federal urban policy on the country. We will build techniques by which proposed policies can be tested and work with the provinces so as to determine what sort of process may be developed.

I would now like to table the report, Mr. Speaker, and to add that the research monographs, providing detailed technical and analytical documentation for the report, are being printed and will be made available shortly.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, believe it or not, and despite the daffodils, today Ottawa has been out-snowed by Vancouver, and what a snow job that has been. It makes it difficult for us to get down to business, but I am sure there is pleasure in every heart in this House and across the entire nation as we congratulate the Prime Minister (Mr. Trudeau) on his successful daring, and extend our very best wishes to his bride, Mrs. Pierre Elliott Trudeau. Now, I think, we can understand the content of the Prime Minister's speech to the faithful at Toronto a couple of nights ago.

I thank the minister responsible for housing and urban affairs for his advice yesterday that he would finally be tabling in the House, this morning, the Lithwick study of urban problems in Canada which was commissioned by the government about one and a half years ago. I received the minister's statement and a copy of the study about one hour ago. This study or report has been in the hands of the minister and of the cabinet for about one year. Everybody in the Central Mortgage and Housing Corporation, as well as numerous other government officials across the land, seem to have read Mr. Lithwick's work and discussed it long before today. But there has been no opportunity, until now, for opposition members on this side of the House to read it. I assume the same holds true of backbenchers on the government side.

Although 85.4 per cent of Canada's population in 1981 will live in urban centres of over 1,000 people, neither you, Mr. Speaker, nor other members of this House will expect me to discuss Mr. Lithwick's report in detail this morning. After all, it is 236 pages long, and is extremely technical. However, I have thoroughly sampled its author's style in the symposium "Urban Studies: A Canadian Perspective" which he and Mr. Gilles Pacquet published in 1968, and which is to be found in the Library of Parliament. We are told, in that work, that we know very little about the process of urbanization in Canada or about the structure and functioning of our cities. However, much work had been done in the United States to accumulate a certain stock of knowledge about approaches to the urban phenomenon. Mr. Lithwick has criticized the Canadian bureaucracy on the ground that it feels its own expertise to exceed by far any to be found elsewhere, thus making dialogue unnecessary.

The author has also criticized the government for its miserly approach to internal research effort. Furthermore, he came down hard on the CMHC for failing to carry out the serious hard work involved in urban renewal, low rental housing, mortgage financing and so forth, accusing it of stringing most of its programs together on an ad hoc basis. So, it seems to me he was an excellent choice to carry out this study.

There is no machinery in Canada, Mr. Speaker, capable of arriving at a national urban policy. The report before us would provide the basis for designing such a policy, likely a good one. Its findings coincide with the long-standing recommendation of the Progressive Conservative party that a federal department of urban affairs and a national urban council be established. It deals with possible policy options for urban growth and also envisions a central research agency for serious urban research and a large-scale data development program.

May I suggest to the minister that the conclusions and the recommendations in this report be considered by a special joint committee of the House and of the Senate, as well as in the light of representations from all three levels of government and those of other qualified and interested parties? Time is of the essence because the complex urban phenomenon is still very poorly understood. In these circumstances, Canadians generally and the CMHC in particular, are entitled to know what their roles are to be. Is the CMHC to be our great urban planner? From its history, I hope not. But it could do some things very well.

Mr. Lithwick, we are told, has revised his report over the period of a year. The analysis, and the conclusions reached, are not to be regarded as those of the government but rather as those of a consultant. The voice of the minister, and of the cabinet which has considered these documents for so long, must, nevertheless, have exercised a great deal of impact upon the alterations which have been made. From a quick consideration of the minister's statement, it would appear that much has been accomplished by the report in influencing the government's thinking about urban Canada as a matter of federal concern. This, I sincerely hope, will prove to be the case.

• (11:30 a.m.)

The report is of great value if it does nothing more than communicate emphatically to all levels of govern-

ment, and to all Canadians, the facts contained in paragraph 2 of the minister's statement, namely, that within 30 years one half of Canadians will reside in the three metro areas of Montreal, Toronto and Vancouver, and that the most severe growth pressures will occur in this current decade.

Dr. Lithwick is to be commended for pointing to the present great fragmentation of federal efforts in the cities, with perverse results on the promotion of the co-ordination of the vast federal involvement in urban Canada. We are told that the tools for dealing with our present and future urban policies are at hand. But where is the will and the skill to use them? It is in this that we in this party are primarily interested.

Some hon. Members: Hear, hear!

Mr. Ryan: I deplore the government's answer, which is the ministry of state and more highly paid, flexible instruments. We have had enough reports by intellectuals and experts. What we need now is leadership and action. I find the argument of the minister for proliferation of ministries to be a specious one. Let him emulate the late C. D. Howe rather than his present leader, for too many good works are lost in contemplation.

Mr. Speaker: Order, please. I apologize to the hon. member for interrupting him. Perhaps he could give some thought to bringing his statement to an end. According to the Standing Orders, as no doubt he knows, it should be a brief statement or a brief comment. Perhaps he has exceeded the bounds of the Standing Order. I realize how important the matter is and how interesting is the statement being made by the hon. member for Spadina. I am sure that he will wish to co-operate with the Chair in this regard.

Mr. Ryan: Yes, Mr. Speaker. We have waited a long time for the report. It is lengthy and deals with an urgent situation. I hope you will forgive me for my lengthy statement; I will try to wind up in a few words.

I suggest that, although it will be good to test specific policies before major new financial or administration commitments are made, we shall expect both good and swift work to be done under the great pressure of our rapid urbanization.

I left out two or three sentences, Mr. Speaker.

Mr. Speaker: I am sure that will be our loss.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, a quick look at Dr. Lithwick's report, that is all that we have been able to give it, leaves a very favourable impression. It looks like a comprehensive beginning to the solution of a very important problem. I join with the hon. member for Spadina (Mr. Ryan) in regretting the length of time it has taken for us to get this report. The government has had the report for a long time. Questions and notices of motions for production of papers connected with the report have been on the Order Paper probably for one year or more. Now that we have the report, I hope that supporting documents containing information about the studies which were made, about the people who worked on it, about what they did, about their qualifications and their pay will be forthcoming. That information has not been given so far.

We agree that a national urban policy is necessary. We have called for the establishment of a ministry of urban affairs for a number of years. Apparently the government, if not Dr. Lithwick, is proposing to establish a ministry that will be devoted to research and not to action. I regret that. Without detracting from the research done by Dr. Lithwick and his colleagues, may I say to the minister and to the government that over the years a tremendous amount of research has been conducted in the fields of housing, pollution and urban growth, but that very little has been done to meet problems outlined by earlier studies.

In his statement the minister talked about the major problems of high housing costs, slums, pollution, and so on, and pointed out that they are the result of untempered economic growth and urban expansion. They have also resulted from the failures of federal, provincial and municipal governments to plan comprehensively. I suggest to the minister in all seriousness that they are also to be attributed largely to the lack of money necessary to meet the problems. It is useless to tell the municipalities of Canada that they must move more quickly to clean up pollution caused by inadequate sewage disposal systems, because they will say, "We have no money for that." The statement contains no answer for them.

The minister said that within 30 years half the people of Canada will be living in the metropolitan areas of Montreal, Toronto and Vancouver. It seems, therefore, that the government has rejected the suggestions made in the study conducted by the former minister, namely, that satellite cities should be built. The minister shakes his head; nevertheless, the statement does not suggest that that may be done. The statement talks about the growth pressures which will occur in the next decade and says that we must deal with these right now. I suggest that it is time for the minister and for the government to consider something that the Toronto *Star*, for example, has been advocating for several years, the public ownership of land in and around the large urban areas where the next spate of urban development and growth will take place. Let us squeeze out the speculators instead of encouraging them to get into the act.

The minister said that policy making at all levels of government has failed to prompt governments to act in concert on these problems. How can the municipal and provincial governments act in concert with the federal government, or with each other, when Ottawa decides on the amount of money to be used for housing and other matters to do with urban growth on an ad hoc basis. Its decision is influenced by the amount of unemployment, as well as by other questions. Instead of carrying on long range planning, the government decides how much money will be made available on very short notice. Under those circumstances no municipal or provincial government can act in concert with the federal government. The minister said that people are now working to insti-

tute a real co-ordination of federal policy efforts in the cities. It is rumoured that the federal government had decided not to help in future in the funding and financing of community action projects. I hope that those rumours will prove to be incorrect.

Lastly, the minister said that his ministry will devote much of its efforts to consultation, co-ordination and rationalization—I presume that this includes co-operation—with other levels of government. I hope that that will be more than talk. It is very difficult for the provinces to plan their co-operation with the federal government in certain circumstances. Recently the government of Manitoba was interested in a public housing project. Officials of that government came to Ottawa, to talk with the minister and with officials of Central Mortgage and Housing Corporation, because they hoped to spend over $50 million for public housing in the next few years in Manitoba. The minister and Central Mortgage and Housing told them that they could get little more than $30 million. It is difficult for provinces to plan when they are given only 60 per cent of the money they have requested to meet their plans. I am sure that Manitoba is not the only province that has found itself in this situation recently.

We wish the minister well. We hope that the planning and co-operation he has talked about eloquently are not just words. We hope that the result will be action, as opposed to the talk we have heard for so many years.

• (11:40 a.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the minister responsible for housing has sent us, only a few moments ago, an English version of the summary report prepared by Dr. Lithwick of Carleton University, about urban problems in Canada.

Mr. Speaker, I am constantly amazed to find since I have been in this House, the number of reports published by governments and the number of surveys they carry out at various intervals on Canadian problems.

What also amazes me is that after these reports are published, no policies are adopted to implement the recommendations included in these reports.

If this morning we refer to the summary report the minister circulated among us, we see that it only reminds us of the seriousness of urban problems in this country. It only serves to remind us that, and I quote from pages 1 and 3; "Our urban problems are serious and getting worse, but they can be handled."

This is nothing new to us or nothing that members of the House have not told the government in recent years. It only summarizes what hon. members have said with respect to urban grievances.

The report informs us also that if Canada has urban problems it is primarily due to the high cost of housing. The government was aware of that and we had already told them. This is also due to the lack of coordination between the federal and provincial governments in dealing with urban matters and housing.

Unfortunately and inasmuch as the summary report at hand indicates, I note that we are not given the means of solving the urgent problems regarding urban growth.

We have heard statements on the subject of high interest rates, but the report does not deal with it. Nothing is said regarding the cancellation of the tax on building materials which is a major obstacle to housing development in Canada. Neither is it stated that interest rates would be lowered. If the government wishes to have a good idea of the possible solutions, it would do well to publish a document similar to that which has been circulated to us lately, entitled: "How Your Tax Dollar Is Spent". It has only to act according to the example set out at page 28 which deals with the Canadian International Development Agency.

All we have to do is to establish in Canada a Canadian Urban Development Agency and to use it as we use the Canadian International Development Agency.

According to the report that I have in front of me, $172 million are now available for loans to international organizations for international development. We have urban development problems in Canada. This morning, we received a summary report which is a reminder, but in which no solution is proposed.

I am still appalled at the number of commissions that study Canada's problems. But, unfortunately, the government does not ensure coordination.

I think that municipal authorities fully realize what they have to contend with in the field of urban development, but the one and only authority responsible for this deplorable situation is the federal government which will not allow them to take any action because it does not put at their disposal the funds needed to fight effectively urban problems in such areas as housing, water-works and sewers; these are all very urgent problems considering the demographic explosion in Canada and the lack of interest on the part of the different governments during the past 25 or 30 years.

* * *

[*English*]

FISHERIES

STATEMENT ON PHASING OUT OF FOREIGN FISHING OPERATIONS ON EAST COAST

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I would like to make a statement this morning about the phasing out of foreign fishing operations on Canada's east coast. The decision to promulgate our fisheries closing lines, as hon. members will recall, was announced in December. These long closing lines will apply shortly to certain large bodies of water including the Gulf of St. Lawrence.

Phasing Out Foreign Fishing Operations

We announced the decision to draw these closing lines in December, 1970. The 60-day waiting period expired on February 26, 1971. The earliest date for their publication in Part II of the *Canada Gazette* is March 10, 1971. They will therefore come into effect on Wednesday of next week. From that date on no nation can establish a new fishery inside Canada's exclusive fishing zones. Nor can it step up its fishing activity from that which it has conducted, traditionally, in what from now on will be our exclusive Canadian fishing waters.

So much for new entrants and new foreign fishing activities, but there is still the matter of phasing out. By phasing out I mean the phasing out of traditional fishing practices by the following countries, namely, France, Spain, Portugal, the United Kingdom, Denmark and Norway. No other countries will be able to fish in our exclusive fishing zones in the future.

It should come as no surprise to Canadians, and certainly it will come as no surprise to Newfoundlanders, that these countries have, traditionally, fished close to our shores. Many of them have been fishing close to our shores for more than 400 years!

Against this background it should not come as any surprise either to hear that it will take several years to complete the phasing out process. It will be a negotiated process. It will be a process which will be completed in the mid-1970s. Then the closest which foreign nations will be able to come to our shores is 12 miles from certain major promontories along our coasts.

In answer to a question in the House last week, Mr. Speaker, I said that we would be asking foreign fishing vessels to move out 12 miles. We have now asked Spain, Portugal, Norway, Denmark and the United Kingdom to move out 12 miles from our shore along certain sections of our coast and in certain seasons of the year. We are asking them to do this right away, wherever and whenever there is likely to be a gear conflict. France is a special case. The several hundred year old French treaty provides as follows:

Notice of any fresh laws or regulations shall be given to the government of the French Republic three months before they come into operation.

This notice will be given by March 10, the time at which the ordinance describing our fisheries closing lines are published in Part II of the *Canada Gazette*.

I have used the term "gear conflict", Mr. Speaker. By that I mean the danger of large foreign fishing vessels interfering seriously with the local operations of our small vessel, inshore fishing fleets. The authority to take action, Mr. Speaker, stems from an amendment which we made to the federal Fisheries Act last year. This amendment extended to Newfoundland, a provision which had applied to the Maritime provinces for some time. Now large Canadian trawlers over 65 feet in length must stay out 12 miles from shore. They must stay out 12 miles unless they are given specific permission, by the Minister of Fisheries and Forestry, to fish closer to our Canadian coastline.

[Mr. Davis.]

• (11:50 a.m.)

I intend to use this discretionary power, Mr. Speaker, without discrimination as to nationality. I intend to use it in our dealings with Canadian trawlers and foreign-owned trawlers alike. Countries which have traditionally fished up to the three-mile limit off Newfoundland have been put on notice in this connection. In future, they too will have to stay out at least 12 miles from shore wherever and whenever there is any danger of a gear conflict in the area. We will map out these areas in advance and let them know where they can come into the three-mile limit and where they cannot, pending the completion of our over-all phasing out process.

Hon. members opposite say they are confused. They should not be. Those who come from Newfoundland know far better than I do that foreign fishing vessels have come close to our shores for hundreds of years. They have known all along about the necessity to give notice. They have known about the phasing out process. To tell local fishermen that they can take the law into their own hands and drive foreign fishing vessels out 12 miles is, therefore, an irresponsible act.

We are phasing them out over the next few years. We are phasing them out for all time. We are also using a recent change in the federal Fisheries Act to eliminate gear conflicts between large vessels and small inshore vessels during this relatively short phasing out period.

This is the orderly way of doing things. It is also the best way. It is the best way especially when we are counting on many of these countries to support our case at the next Law of the Sea Conference in 1973. In effect we will be asking them to join us in our attempt to cut down on big fleet operations, including that of the U.S.S.R., 50 to 100 miles from our shores.

We will need all the allies we can get in this much bigger struggle to conserve the fish stocks in the north Atlantic. An abrupt and unilateral act on our part in respect of this matter of phasing our foreign fishermen from our Canadian exclusive fishing zones would, I suggest, be very shortsighted indeed.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, firstly I should like to offer my personal congratulations to the Prime Minister (Mr. Trudeau) and his young bride. I look forward to seeing him back in the House relaxed and refreshed, and I also look forward to a renaissance of closer personal inter-relationships among all members of the House. I can understand some of the pangs of the recent decision-making process.

I thank the minister for his statement, a copy of which I received when I came into the House at eleven o'clock. I should like to make two brief points. First of all, the east coast fishery has two main problems. The first is the general problem of overfishing by many foreign vessels. The second is the specific problem of the infiltration of these nations up to our shores inside our territorial waters and three-mile limit, indeed, right up to our coasts and into our backyards.

This particular problem recently caused great concern when there were reports of 60, and according to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) 40, foreign vessels fishing right up to our coast. I do not know whether the Soviet Union was one, but certainly almost every other fishing nation of the world was fishing the east coast of Canada. This development has caused great concern and has resulted in threats being made, not by politicians but by members of the public, that if no action were forthcoming from Ottawa they were willing to take matters into their own hands and try to protect their own interests. They were concerned that their property was being stolen. They felt much as if their homes had been broken into and their possessions stolen, and therefore they felt that they had the right to defend themselves.

The statement of the minister was made for the purpose of clarifying recent statements, since the impression left by the Minister of Transport (Mr. Jamieson), the Minister of Fisheries and Forestry (Mr. Davis) and the Secretary of State for External Affairs (Mr. Sharp) was that, as of several days ago, following the proclamation by the Minister of Fisheries, the traditional fishing nations were to remain outside the 12-mile limit off the southwest coast of Newfoundland, which happens to be part of Canada. The fact is that the very next day 40 foreign fishing vessels were fishing within three miles of the coast; hence the obvious confusion.

The minister now tells the House that we should not be confused because these nations have been put on notice, though it will take some time for the Department of External Affairs to give the notice and to elicit the kind of response that we should receive from these nations. We understand that the officials of the Department of External Affairs were very reticent, to begin with, about accepting the proclamation of the Minister of Fisheries and have been very lax in trying to alert the various nations to the problem.

In his statement the minister said we have asked various countries to comply and he referred to certain sections of the coast. Then he went on to say that we are asking them to do this right away wherever and whenever there is any conflict. But it is only a question of "asking them" to do this. Farther on he indicated that these nations have been put on notice and said that Newfoundlanders understand about the giving of notice.

I can speak for most of the people I know in Newfoundland, this is certainly not the understanding they had. They assumed that the matter was well in hand and that a decision had been reached. I am not going to elaborate on the particular point whether or not notice has been given, but certain questions remain in the minds of Canadians. First of all, we want to know when this announcement was made. The minister will have to provide the answers to these questions, if not in a statement on motions, certainly in some kind of prepared written text. We also want to know when these nations were alerted to the problem, when they were alerted to the response of Canada through the proclamation of the Minister of Fisheries. We want to know what were their responses.

Second, we want to know what plans Canada has for making its presence felt in these areas. We had an announcement about two DND aircraft being mobilized in an effort to try to enforce the minister's proclamation. We want to know to what extent Canada is prepared to make its presence felt so that we can push these foreign vessels away from our coasts and thus allow our own people to make a living from a resource that is being depleted day by day.

Is the government of Canada willing to arrest and charge these foreign fishermen if they do infiltrate the 12-mile territorial zone declared by the Minister of Fisheries, though I understand that these zones are not yet in effect? These nations have been put on notice. Is the Canadian government willing to make these foreign nations pay compensation for loss of gear and the destruction of the fisheries resource, and therefore the way of life of our fishermen?

My third question is: Is the Canadian government willing to enforce a 12-mile territorial limit right around our coasts? It is only a matter of days before the same sort of thing is going to happen in other parts of Newfoundland and there will be a recurrence of the same problem. If it happens in Notre Dame Bay this year then the Minister of Fisheries must not expect me to act in a responsible manner if his own government cannot do likewise. I will not put any covers on the anxiety of the people of Newfoundland if they decide to try to force these vessels away from our shores.

Lastly, there is the more general question whether Canada is now prepared, in view of recent events and the danger of a great international flare-up and crisis over this issue if we do start taking the law into our own hands, to try to force these people away from our shores. I do not know whether this will mean we will not sell as much wheat or shirts made in Quebec, but in order to avoid any trouble is the Canadian government going to launch any new initiatives in the area of conservation?

The minister concluded his statement with the warning that, if we do push these nations too hard, we might kill the relationship he hopes to foster for the 1973 Law of the Sea Conference. If we go back to the 1958 Geneva conference, we recall that Canada was then given the right, one that was accepted internationally by all countries present at the conference, to ask the nations fishing on our continental shelf if they would agree to certain quotas and conservational and managerial steps to be taken by this country. If they were not so willing, then six months after any formal move made by Canada in this direction Canada could unilaterally declare and enforce certain types of conservational and managerial measures.

• (12:00 noon)

So I suggest it is not merely a question of persuading these foreign nations to honour the resources of Canada. I challenge the minister to enlighten the House as to what

action we can expect the government to take, over and above the recent very specific move, to try to push these foreign vessels outside the 12-mile limit. I also say that if Canada is not willing to give greater attention to the fishing industry in British Columbia, Quebec, the Maritime provinces and Newfoundland, if the Department of External Affairs is not willing to take more action than it has recently, the present difficulties will be minor compared with the unrest we will witness in Canada in our maritime areas in years to come.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, to the extent that the announcement by the minister this morning indicates the government's intention to take certain specific action, it is welcome. But as I listened to the minister I could not help but be reminded of how, month after month, indeed, year after year following the passage of the Territorial Sea and Fishing Zones Act in 1964, we received bland and wordy assurances from the former Secretary of State for External Affairs that action was imminent as a result of that measure. We waited in vain despite the pleadings, efforts and proddings that some of us on this side of the House engaged in.

There is a distinct contrast as far as the present Secretary of State for External Affairs (Mr. Sharp) is concerned. Whether he is wise in this matter I do not know, but the impression he has successfully created in the House is that far from being wordy on this subject he is struck dumb whenever the question of action on fishing matters is raised. These questions are left to the Minister of Fisheries and Forestry (Mr. Davis). We cannot accuse the present Secretary of State for External Affairs of having held out any false hopes.

There is one particular point I should like to underline in respect of the statement of the minister. As a member who comes from the opposite edge of Canada from that of the hon. member who has just spoken, I agree with the statement of the Minister of Fisheries and Forestry as to the importance of this matter to a very large segment of Canadian workers. Certainly the fishermen on the west coast of Vancouver Island, who are faced with the imminent loss of their livelihood as a result of the encroachment of foreign fishing fleets, understand what this is all about. I plead with those members who come from other parts of the country to try to understand what this is all about, and to recognize that the fishermen who go out on the seas are in a rather peculiar position because they have not got the same control over the resource from which they derive their livelihood as other people have in different types of employment.

If hon. members who represent the Prairie provinces were suddenly to find their agricultural land being taken over by immigrants, without any action being taken by the immigration authorities, I suggest they would be in a situation parallel to that which has developed on the Atlantic coast of Canada and has become more and more obvious in recent years. Therefore I urge hon. members to support the action taken so far. Indeed, I urge the Minister of Fisheries and Forestry and the Secretary of State for External Affairs to expedite further necessary action.

[Mr. Lundrigan.]

The minister has talked about a phasing out period. Realistically we cannot quarrel too much with the suggestion that this approach be taken. But it does underline the inadequacies in many respects of the fishing zones concept as we have developed it for the protection of fishing resources generally which are important to the Canadian economy, and also the need to co-operate as much as possible with other countries.

I regret that the minister gave us no indication in his statement as to what the government has in mind in respect of phasing out foreign activity outside the 12-mile territorial sea in the Gulf of St. Lawrence fishing zone. I hope there will be something forthcoming on this in the not too distant future.

The encroachment of foreign fishing vessels in territories from which the larger Canadian fishing vessels have been excluded has been a knotty and aggravating problem on the Atlantic coast for many years. I welcome the fact that the minister is going to require foreign fishing vessels to observe the same regulations Canadians have to observe.

All I can say in concluding is that I recognize that the problem on the Atlantic coast is much more complicated than that on the Pacific coast because of the fact that many nations over the centuries have established claims to fishing rights close to our shores. I hope this action by the minister will serve notice that we do not want nations attempting to establish historic rights or claims off the Pacific coast of Canada.

* * *

OIL

TAPS PROJECT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to move a proposed motion under Standing Order 43 on a matter of urgent and pressing necessity. I propose to ask the unanimous consent of the House to put this motion.

The Canadian nation is daily becoming increasingly concerned over the conflicting claims of our industries for energy and the need to protect our environment. The government, which should be providing leadership and direction to Canada on this issue, is divided. Instead we have all around us conflicting voices.

The United States has already stockpiled pipe to build the pipeline from the Alaskan slopes to the port of Valdez for the transportation of crude petroleum. There is still no government decision to implement policies to prevent the pollution of the sea and our environment. A large oil spill on the west coast, and one will occur, arising from a tanker which was involved in an accident could permanently destroy the life of our coastal regions and cause grave economic hardships to our people.

At the same time there are understandable needs by the United States to develop their oil reserves and trans-

port energy to the great industrial centres of the mid-west.

Mr. Speaker: Order, please.

Mr. Woolliams: Our Canadian oil industry needs the same things. If this House is concerned, I would move—

Some hon. Members: Order, order!

Mr. Speaker: Order, please. I apologize to the hon. member, but I am sure he realizes the limitations imposed on us all under Standing Order 43. The hon. member must limit his statement to the matter of urgency and not argue his case. I appreciate that this is a very important matter of concern to all members of the House. Perhaps the hon. member might soon indicate what his motion is.

Mr. Woolliams: Mr. Speaker, I had already started to propose the motion. The reason I laid down the terms of reference is that I wanted to win the unanimous consent of the House. I move:

That this House urge the government forthwith to institute an interdepartmental study of the ecological and economic effects of the TAPS project and of alternatives to the TAPS project, and to immediately insist on joint governmental consultation with the United States on these issues before a U.S.A. decision is made.

Mr. Speaker: Order, please. The House has heard the motion proposed by the hon. member for Calgary North. As he has indicated, under the terms of Standing Order 43 this motion can be put only if there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and I regret that the hon. member's motion cannot be put at this time.

* * *

POLLUTION

THREAT TO BRITISH COLUMBIA FROM PROPOSED OIL TRANSPORT AND NUCLEAR TEST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Barry Mather (Surrey): Mr. Speaker, I seek leave under Standing Order 43 to move a motion. May I say I am encouraged to do so and to hope for a warm and favourable response because of the fact the Prime Minister has wed a young woman from British Columbia. Mr. Speaker, this is my motion:

That this House, being aware of the urgent and pressing necessity for action to protect the residents of British Columbia and the waters and shores of that province from the twin threats of massive pollution and ecological destruction involved in (a) the proposed transport along our shores by tankers of Alaskan oil to a refinery in Washington State and (b) the scheduled underground U.S. nuclear explosion test on Amchitka Island in the north Pacific, an earthquake prone zone, urges the government of Canada to act immediately to protect the citizens of British Columbia.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Surrey. The motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

ORAL QUESTION PERIOD

AGRICULTURE

TERMINATION OF APPOINTMENT OF CHIEF GRAIN COMMISSIONER—REASONS THEREFOR

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct my question to the Minister of Agriculture who is in charge of the Canada Grains Commission, the former Board of Grain Commissioners. Previously I sent notice of my intention to ask the question to the Acting Prime Minister because, according to the roster system, the Minister of Agriculture was not supposed to be in the House today. I see he has received the message. My question must be of importance to the government as it is to the rest of Canada. Did the minister, who is in charge of the Canada Grains Commission, have the services of Mr. F. F. Hamilton, the Chief Grain Commissioner, terminated at the pleasure of the government and, if so, why?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, technically Mr. Hamilton is still with the Board of Grain Commissioners because the effective date of the proclamation of the new Act is April 1. I have had some discussions with Mr. Hamilton and during the course of those discussions I advised him I am not prepared to recommend his reappointment.

Mr. McIntosh: Mr. Speaker, the minister did not answer the second half of my question concerning why his services were terminated. My supplementary question to the minister is: Is the replacement for Mr. Hamilton to be a former Manitoba Liberal minister and former Liberal organizer on the prairies?

Mr. Olson: No, Mr. Speaker. For the third member of the Canada Grains Commission when it becomes effective on April 1 I will recommend Mr. Forest Hetland, a master farmer from Saskatchewan.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I think we ought to have a further explanation of what appears to be political partisanship on the lowest level. Mr. Hamilton, a war hero with a D.F.C. and a D.S.M., is just being dumped out. Is it a fact that the first notice the minister gave of his disagreement with what the Chief Commissioner had been doing was on February 22?

Mr. Olson: No, Mr. Speaker. That is not true.

Mr. Diefenbaker: Mr. Speaker, I then ask the minister whether he received a letter from the Chief Commissioner dated February 23 which states:

This is a hurried reply to your unexpected criticism of yesterday, that is, that my board has moved too slowly in the steps and procedures required to bring in a new grain Bill and regulations.

Did the minister reply to this letter?

Mr. Olson: Yes, Mr. Speaker.

Mr. Diefenbaker: Then I wish you would table it.

Mr. Olson: With Mr. Hamilton's consent I could table the letter some time in the future.

Mr. Diefenbaker: Did he ask for an opportunity to discuss the matter further and did the minister deny him that right?

Mr. Olson: No, Mr. Speaker. I do not think he asked for that opportunity. While I think I should be fairly careful about what I say respecting a private conversation with Mr. Hamilton, I believe I could advise you, Mr. Speaker, and the right hon. gentleman that Mr. Hamilton and I have had a number of discussions over the past two and a half years and Mr. Hamilton has been well aware that I have not been satisfied with his performance during that period.

Mr. Diefenbaker: When the minister brought in the new bill did he let the House know of his dissatisfaction?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the minister whether his latest release in favour of partisan appointments—

Mr. Speaker: Order, please. The hon. member has the floor for the purpose of a supplementary question and I suggest to him he should ask the question.

Mr. Korchinski: In view of the fact that the opposition members on the agricultural committee have been arguing for appointment for a fixed term of office, does the minister consider that his latest actions will be conducive to the early passage of that bill?

Mr. Speaker: Order, please.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of this change may I ask the minister whether it is his intention to appoint an entirely new board with the coming into force of the new Act?

Mr. Olson: No, Mr. Speaker.

[Mr. Diefenbaker.]

NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—REMOVAL OF PAY DIFFERENTIAL BETWEEN EAST AND WEST COASTS IN GOVERNMENT OFFER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the notice that has now been given of a strike date having been set for Sunday on the part of the dockyard workers at Esquimalt and Halifax, is the government prepared to reconsider its position and do away with the dollar an hour differential as between the east and west coast that is involved in the government's latest wage offer?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. gentleman will recognize the impropriety and indeed damage to the collective bargaining process if I were to negotiate with him across the floor of the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when this matter has been concluded, will the government be proposing to members of the armed forces that they be paid different rates of pay depending on where they are serving?

Mr. Drury: Mr. Speaker, I think the hon. gentleman, particularly with his long service in the House, should realize that the policy is that where employees are not expected to be highly mobile across Canada we endeavour to engage them for service in a locality at rates of emolument appropriate in that locality.

DOCKYARD EMPLOYEES WAGE DISPUTE—NEW GOVERNMENT PROPOSALS IN VIEW OF STRIKE DEADLINE

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary I wish to ask on behalf of the hon. member for Halifax-East Hants who sent notice of it to the minister.

Mr. Speaker: Order, please. The hon. member knows he cannot ask a question on behalf of someone else. Perhaps the House will appreciate the circumstances in which the question is asked, but the hon. member must ask the question in his own name.

Mr. Bell: I endorse the question on my own behalf, Mr. Speaker. I appreciate the minister's reply to the previous member, but can he say whether the government will consider any new proposals in this matter in view of the strike deadline?

Hon. C. M. Drury (President of the Treasury Board): I think, as has always been the case, the government does not wish at any time to terminate negotiations or discussions. As long as there is room for them and a willingness to discuss, we are ready, willing and able to do so.

Mr. Knowles (Winnipeg North Centre): Why not make room then?

[*Translation*]

EXTERNAL AFFAIRS

BARBADOS—INCREASE IN CANADIAN AID

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a question.

Could he tell the House whether he intends to increase substantially in the next two years Canadian aid to Barbados according to a statement made recently by Senator Richard Stanbury, chairman of the Liberal Federation?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): I have not seen the statement made by the hon. member of the other House.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to ask a supplementary question.

Could the minister tell us if the government intends to grant additional assistance to needy Canadians through exemption of any direct taxation for low-income people?

Mr. Speaker: Order, please. The hon. member's question is very interesting, but he puts it as a suggestion. He must take it for granted that it will be considered by the government.

* * *

[*English*]

OIL

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—MACKENZIE VALLEY ROUTE—CANADIAN POSITION

Mr. Eldon M. Woolliams (Calgary North): I should like to direct my question either to the Acting Prime Minister or to the Minister of Energy, Mines and Resources. Yesterday the Secretary of State for External Affairs stated that no decision had been made by the United States authorities in reference to the pipeline from the rich Alaska northern slopes to Valdez. In view of the fact that a consortium of companies in the United States has already stockpiled pipe for the building of such a pipeline, is the minister aware of that and is he now aware of the decision made by U.S. government authorities to build such a pipeline in view of the stockpile?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. It may be that there are such stockpiles; I do not disagree with that. I do know that no decision has been made. I would like to tell the House that the United States Secretary of State has indicated to me that he now agrees to enter into consultations with us on this question. I am sure he would not have done so if a decision had already been made.

Mr. Woolliams: I appreciate that answer, Mr. Speaker. In light of the answer, can the Acting Prime Minister say whether the Canadian government has made up its own mind as to which transportation route would be the best in Canada's national interest, that is, down the Mackenzie delta or to the port of Valdez and then by tanker to the United States? What is Canada's position and how did the government arrive at it?

Mr. Sharp: I thought the hon. gentleman would have learned by now from the repetitive statements I have made in the House that the Canadian government feels there is a very serious risk in the movement of oil by tanker down the Pacific coast, and it would not be in the interest of either of our two countries.

Mr. Woolliams: Mr. Speaker, I am well aware of the minister's statements in that regard, but does the government then endorse the building of a pipeline down the Mackenzie Valley and through the Prairies to the industrial centres of the United States?

Mr. Sharp: I am sure that as a member from Alberta he would wish me to be in as strong a bargaining position as possible in relation to the United States, and to ensure that if an application is made it is one that meets our requirements and not only those of the United States.

Mr. Woolliams: What is your requirement?

Mr. Speaker: Order, please. I will recognize the hon. member in a moment, but hon. members must realize that there has to be some limit on supplementary questions if we are going to give opportunities to other hon. members to ask their questions. I notice a number of hon. members to my left who tried to ask questions yesterday, and I am rather anxious to give them an opportunity today. So I will have to seek the co-operation of the front-benchers at the start of the question period.

Mr. Woolliams: Mr. Speaker, on a point of order, I agree that probably we ask too many supplementary questions, but the minister will not answer. There are only two possible routes, either by tanker or by pipeline. Why does he not say which position the government is taking?

Some hon. Members: Oh, oh!

Mr. Sharp: I have tried to be as clear and as firm in my answer as is possible at present. I hope the hon. gentleman agrees with me that if we are going to agree to the building of a pipeline down the Mackenzie we should meet the requirements of the ecology. I hope we can meet our economic requirements and I hope we will have to give up as little as possible. If he does not agree with that, he should say so.

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—CONSULTATIONS WITH UNITED STATES

Mr. G. H. Aiken (Parry Sound-Muskoka): I want to ask the minister a supplementary question. Can he give any indication as to when consultations with United States authorities may be held?

Hon. Mitchell Sharp (Acting Prime Minister): I would think this would take place as soon as it is convenient to both sides. I expect it will start very soon.

Inquiries of the Ministry

YOUTH

CANCELLATION OF CONFERENCE SPONSORED BY CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Acting Prime Minister. In view of the fact that the conference on services to transient youth and student summer unemployment scheduled for March 14, 15 and 16, has been cancelled because of the lack of federal government assistance, can the Acting Prime Minister say why the government has made this unexpected decision at such a late date and what alternatives the government is considering?

Hon. Mitchell Sharp (Acting Prime Minister): As I said in reply to some questions the other day, the government has been consulting with the provinces about a program for student employment. It seemed to us that the conference that was to be held might be a very useful affair, but we did not think that it would be a good use of the taxpayers' money to finance it.

Mr. Nystrom: Can the Acting Prime Minister say whether or not this decision was made in light of the fact that the government feared there might be destructive criticism at the conference?

Mr. Speaker: Order, please.

Mr. David MacDonald (Egmont): Can the Acting Prime Minister indicate whether or not, in consultation with the Canadian Council on Social Development earlier, the government had in fact asked that this conference be postponed for one month in order that it could actively participate and support this conference in March?

Mr. Sharp: I think this question should be directed to the minister concerned. I did not participate in the decision-making.

Mr. MacDonald (Egmont): In light of the fact that this important conference on transient youth and student summer employment, a subject in which the government has professed interest in the past two weeks, is of major importance, there seems to be some conflict in the information that has been given the House with respect to the question, and I wonder—

Mr. Speaker: Order. Would the hon. member kindly ask his supplementary question?

Mr. MacDonald (Egmont): Would the Acting Prime Minister agree to table the correspondence between the government and the Canadian Council on Social Development with respect to this conference in order that the full facts of the situation might be known?

Mr. Sharp: I can assure the hon. member that the government has nothing to hide. I will speak to the minister and see if that can be arranged.

[Mr. Sharp.]

URBAN AFFAIRS

SUGGESTED FINANCIAL AID TO MUNICIPALITIES BECAUSE OF EXTRAORDINARY SNOW REMOVAL COSTS

Mr. Raymond Rock (Lachine): I have a question for the Acting Prime Minister. Since snowfalls this year in many areas of Canada are at a record high, abnormal, and in many cases catastrophic, would the government consider giving financial aid to municipalities which are overspending their snow removal budgets?

Hon. Mitchell Sharp (Acting Prime Minister): I do not think that the government of Canada would consider that particular request, but let me point out that it is providing indirectly some very substantial assistance which I think will help the municipalities to meet their budgetary expenditures.

* * *

HOUSING

STATUS OF MORTGAGE ON ROCHDALE COLLEGE

Mr. W. C. Scott (Victoria-Haliburton): My question is for the Minister without Portfolio in charge of housing. On January 21 I asked the minister a question with respect to Rochdale College in Toronto, whether they are behind in their payments and what is the government's intention? The minister replied:

> I will be making a more elaborate statement on that situation in the not too distant future. In the meantime I can advise the House that the mortgagee met the payments in the last three months consecutively.

On February 24 the President of CMHC—

Mr. Speaker: Order, please. I have to interrupt the hon. member. The question should be put as briefly as possible, and I hope that the hon. member can ask his question soon.

Mr. Scott: Yes, Mr. Speaker, I am coming to the point. On February 24 the President of CMHC told the House of Commons Public Accounts Committee that Toronto Rochdale College is $289,000 in arrears, sufficiently behind for the corporation to take steps—

Mr. Speaker: Order, please. That is not a question. The hon. member is going over the background of the matter which he wishes to bring to the attention of the minister. It seems to me that there must be some way to ask the question in a more succinct fashion.

Mr. Scott: Can the minister inform the House if any action has been taken on this matter?

Hon. Robert K. Andras (Minister without Portfolio): This situation involves many jurisdictions. It involves, of course, CMHC and its financial responsibilities. It involves problems of law and order in Toronto. It involves problems of the other creditors of Rochdale. It involves the provincial government. I think it is only responsible that we recognize that unilateral action may not be the wisest course, and indeed consultations with

other involved people are going on right now. It is not an easy situation with which to deal. I am aware of the hon. member's concern and sympathize with it. Nobody will be happier than I when I am able to find and announce some wise solution to this problem.

Mr. Lincoln M. Alexander (Hamilton West): In view of the statement by the president of CMHC that the arrears on the mortgage are over $250,000 is the minister discussing this very important matter with those who he has indicated are involved with the intention of issuing a writ of foreclosure or of adopting any other legal means whereby the interests of CMHC can be protected?

Mr. Andras: All those kinds of options are being considered.

Mr. Alexander: Mr. Speaker, I would ask the minister whether the agencies involved have discounted the issuance of a writ of foreclosure, and is it the policy of the government not to issue a writ of foreclosure?

Mr. Andras: No such action has been discounted, nor has any precise decision been made along that line up to the moment.

* * *

OIL

POSSIBLE MACKENZIE VALLEY PIPELINE—DANGER TO WILDLIFE—PROBLEMS IN LAYING LINE ON PERMAFROST

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. I would ask him whether the fears which have been expressed publicly by officials of the wildlife service about the dangers to the wildlife of the north if oil or gas pipelines are built down the Mackenzie Valley have been communicated, and whether steps have been taken to make available the information which his officials have to the National Energy Board, or to anybody else who will be dealing with this question if an application to build a pipeline is made?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are giving this matter very serious consideration and at the present time there exist a couple of public servants committees representing the various departments concerned, such as the Department of Energy, Mines and Resources, my own department and others to insure that there will be concerted action and that no mistake will be made in the development of the final policy.

In August, my colleague and myself have outlined the general principles which will prevail in the construction of a pipeline in the Canadian north and we are still studying this problem. There are consultations taking place at all administrative levels in this respect.

[*English*]

Mr. Orlikow: As a supplementary question I would like to ask the minister whether his officials are studying the problems involved in the laying of a pipeline on permafrost, because my information is that very little research has been done on that problem?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not think that it is exact to say that there was no research. Many people from Canada, the United States as well as Europe came to Inuvik to see the research performed in this field on permafrost, but also on the effect which the construction of a pipeline would have on the movement of wild animals in the north. All those matters are studied by department officials and the House can rest assured that they will provide all relevant information when final guidelines become available.

[*English*]

POSSIBLE MACKENZIE VALLEY PIPELINE—COMPENSATION TO INDIANS

Mr. Erik Nielsen (Yukon): Mr. Speaker, will the Candian government be taking the same position with respect to compensation for the lands of the Indian peoples, over which a pipeline will possibly be travelling, as is being taken by the United States government?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is not necessary to proceed always according to the methods used by the Americans. In Canada, we can find original formulas and that is one of the problems that concern us. I am sure we will be able to find a solution that will satisfy Indians and Eskimos and will meet the economic needs of Canada.

[*English*]

Mr. Nielsen: Will the minister say whether the Canadian native peoples will be compensated for their lands over which any pipeline travels?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I think it is possible to establish a corridor that would not be detrimental to the native population of the North.

Besides, the famous columnist of Old Crow, Josie Edith, said that at this time most of the people of Old Crow are working for the companies—

* * *

AGRICULTURE

DAIRYING—MEASURES TO COMPENSATE PRODUCERS FOR LOSSES

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

As the price of powdered milk and cheese was increased as of February 8, 1971, and as the powdered milk and cheese in storage at that date were sold at the former price, can he tell us whether the producers will

receive some compensation or whether the processing industries or the CDC will be the only ones to benefit from the increase?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, so far as those stocks that are held by the Canadian Dairy Commission are concerned, I should advise that any gain in the value of that inventory would be used for the purposes of the Dairy Commission. However, any increase in the value of privately owned stocks would accrue to whoever holds that stock.

[*Translation*]

BUTTER IMPORTS FROM NEW ZEALAND

Mr. André Fortin (Lotbinière): Mr. Speaker, a supplementary question.

In view of the huge quantities of butter we import from New Zealand, and the overproduction in Canada, does the minister intend to revise the policy on imports of dairy products and by-products, in order to give Canadian products the priority on the domestic market?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, obviously the hon. member has been misinformed because we do not import any quantity of butter from New Zealand, and indeed have not placed an order with New Zealand since September, 1968.

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[*Translation*]

INDIAN AFFAIRS

NORTHERN QUEBEC—TRANSFER OF ESKIMOS TO PROVINCIAL JURISDICTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

In view of the Dorion report on the integrity of the Quebec territory, with regard to Indians and Eskimos, presented to the premier of Quebec on March 3, and recognizing that that report suggests to the Quebec government that it should exercise a jurisdiction in so far as Eskimos and their territory are concerned, and that certain treaties should be signed with the approval of the federal government, may I ask the minister whether he will urge the government to carry out the recommendations of the Dorion report respecting provincial policy?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I received no official copy of that report. However, I have read myself the newspaper reports on that matter.

We have to face two very great difficulties in this field. First of all, we must confer with the Indians who are interested, and then we must take into account the provisions of section 92 which state that legislation concerning Indians and Indian lands comes under federal jurisdiction. We will have to reckon with the Constitution and this will necessitate an amendment which may not be easy to obtain without the consent of the Indians.

Mr. La Salle: A supplementary question, Mr. Speaker. Could I ask the minister if Quebec, in the first place, has requested discussions with the Minister of Indian Affairs and Northern Development and if the minister is willing to meet the provincial authorities?

Mr. Chrétien: Mr. Speaker, we are always ready to hold discussions with the Quebec provincial government. I already had some about this and I am prepared to hold others in the future.

* * *

[*English*]

TRANSPORT

TRANSFER OF SHIP FROM PRINCE EDWARD ISLAND FERRY SERVICE TO SYDNEY-NEWFOUNDLAND ROUTE—CONSULTATION WITH PROVINCIAL GOVERNMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, in the absence of the Minister of Transport I would direct my question to the Acting Prime Minister. Were consultations held between the federal government and the government of Prince Edward Island and the agreement, or at least the acquiescence of that government obtained, before it was decided to transfer the newest, largest, and most important unit of the P.E.I. ferry service, the *John Hamilton Gray*, from that service to the Sydney-Newfoundland service?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take notice of that question and bring it to the minister's attention.

Mr. MacLean: Would the Acting Prime Minister ask his colleague, the Minister of Transport, to make a full statement on motions at an early date with regard to the future rearrangement of this ferry service?

Mr. David MacDonald (Egmont): Mr. Speaker, when the Minister of Transport makes this statement on motions, presumably on Monday, would he indicate quite clearly that the services to be maintained between the mainland and Prince Edward Island will be no less than presently enjoyed and, in particular, that the icebreaking facilities, so important to the ferry service in the winter, will be assured?

* * *

HOUSING

REDUCTION OF INTEREST RATE ON NHA SECTION 40 LOANS

Mr. Joseph-Philippe Guay (St. Boniface): Thank you, Mr. Speaker. I want to assure you that the people of western Canada have a lot of patience and can stand up many times before being recognized. We are always living in anticipation that one day someone will pay attention to us and hear some of our pleas.

An hon. Member: We are all with you. Come on over.

Mr. Guay (St. Boniface): I do not need to go over there I can stand here and be heard as well. I wish to ask the minister responsible for housing whether the CMHC intends to take any action to reduce its section 40 interest rate, since the banks have reduced their NHA rates recently?

Hon. Robert K. Andras (Minister without Portfolio): I certainly hasten to respond to one of the eloquent spokesmen for western Canada. The answer is yes, I expect there will be an announcement by the CMHC today to the effect that the section 40 interest rate on loans will be reduced to 8¾ per cent.

Mr. Erik Nielsen (Yukon): Will that reduction apply in the case of existing mortgages?

Mr. Andras: The standard practice will prevail with regard to mortgages in train. What is done will depend very much on the state of advance or the state of commitment on them.

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NATIONAL DEFENCE

ACCESS TO CONSTITUENTS AT MARCONI OPERATION BY NORTHWEST TERRITORIES COUNCILLOR

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Minister of National Defence. Yesterday the minister cut me off at the pass, but I have the nerve to try again. Will the hon. gentleman investigate the reason a Northwest Territories elected councillor was denied access to those of his constituents who live and work on a Marconi contract site at Resolute Bay? Further, will he ensure that councillors will have the opportunity of gaining access to their constituents so that the concept of Arctic sovereignty is not restricted?

Hon. Donald S. Macdonald (Minister of National Defence): As I recall it, the hon. member asked about access to a ballistic missile early warning site and I pointed out there are no such sites in Canada. If he would like to provide me with details of any complaint he may have, I would be glad to investigate.

* * *

[*Translation*]

URBAN AFFAIRS

POSSIBLE ESTABLISHMENT OF MINISTRY

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to put a question to the minister in charge of housing.

In view of the statement he made in the House today to the effect that consultation mechanisms will be established with junior governments, could he assure us that the government will not consider creating a ministry of urban affairs shortly or in the near future?

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): The intention of the government is clearly stated in the Speech from the Throne. It will be establishing a ministry of state for urban affairs. The whole problem at the moment is that opposition members are not permitting the passage of the organization bill.

FORUM FOR DISCUSSION OF LITHWICK REPORT

Mr. Lincoln M. Alexander (Hamilton West): I should like to address a supplementary question to the minister. Earlier he expressed the hope that the Lithwick report would lead to public discussion. I would respectfully ask what machinery he intends to use to initiate such public discussion. Does he envisage such discussion will take place within the confines of a standing committee on urban affairs or will it take place in a joint committee? I would appreciate the minister telling us just what he has in mind in this regard.

Hon. Robert K. Andras (Minister without Portfolio): I shall be in a much better position to answer that kind of question and take that kind of action when the opposition allows me to become legitimate in this role.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. I wonder whether we might not go on to another subject. However, if the hon. member for Hamilton West feels he should ask a supplementary I will recognize him.

Mr. Alexander: I am wondering why the minister cannot be a little kinder to us in the opposition and do his best to answer a simple question. I do not think the question I asked had anything to do with the creation of a ministry of state. The minister already has ideas about what he wants to do. What machinery does he contemplate using to initiate the public discussion which he desires of this important report? Would he kindly advise the House whether he has in mind a standing committee? Just what does he have in mind? It is a simple question.

Mr. Andras: I think the first move in the creation of such machinery would be, as I suggested, the establishment of a ministry of state for urban affairs.

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ENERGY

DIFFICULTY OF LAYING PIPELINES ON PERMAFROST—INVESTIGATION OF RUSSIAN PRACTICE

Mr. Rod Thomson (Battleford-Kindersley): My question is directed to the Minister of Indian Affairs and Northern Development. Having regard to the difficulty involved in laying pipelines on permafrost, has the minister, in his research, contacted his opposite number in the Soviet Union with a view to finding out what is done in that country? Further, would he recommend or approve a visit by the northern affairs committee so that its members could see for themselves what methods are used?

Inquiries of the Ministry

POST OFFICE

REOPENING OF CERTAIN POST OFFICES

Mr. Craig Stewart (Marquette): I should like to direct my question to the minister responsible for the Post Office. Having regard to the large number of complaints about rural route mail service in areas where post offices were closed in the last year, will the minister reopen such post offices when requested to do so by a large majority of the residents concerned?

Hon. Jean-Pierre Côté (Minister without Portfolio): I would have to consider exactly what is meant by that question. I have received many requests to reopen post offices. My immediate answer would be that we do not intend to reopen post offices. Nevertheless, we will look at cases where people are suffering hardship because of the loss of post offices in circumstances in which an alternative service is not in fact replacing the post office.

Mr. Stewart (Marquette): At the time these post offices were closed the department said it was on a one year trial basis. In these circumstances, would the minister not reconsider his decision?

Mr. Côté (Longueuil): I do not remember that, Mr. Speaker.

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FISHERIES

PREVENTION OF FISHING BY FOREIGN DRAGGERS INSIDE 12-MILE LIMIT

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Secretary of State for External Affairs. Can the minister say that as of today the fishing nations which have had traditional rights within the 12-mile zone mentioned by the Minister of Fisheries and Forestry are not permitted to fish inside that 12-mile limit?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The statement made by the Minister of Fisheries and Forestry speaks for itself. I think it was clear on that point. If it was not, perhaps I can take a look at this particular question, but I believe it was answered by the Minister of Fisheries and Forestry in his statement this morning.

Mr. Lundrigan: Surely to goodness, the minister can tell us whether these countries can fish inside the zone. After all, he is the Secretary of State for External Affairs. Having looked over the minister's statement, if indeed he has seen it, can he tell us whether Canada is prepared to take unilateral action to enforce the law and to exact penalties if it is broken?

Mr. Sharp: I can only make the reply which the Minister of Fisheries and Forestry himself made, which is that action of that kind might not further the over-all interests of Canada or, indeed, of the fishermen of Newfoundland.

[Mr. Thomson.]

NATIONAL DEFENCE

REPLACEMENT FOR ARGUS MARITIME PATROL AIRCRAFT

Mr. Doug Rowland (Selkirk): I wish to address a question to the Minister of National Defence. In connection with the negotiations going on with various companies concerning a replacement for the Argus maritime patrol aircraft, I should like to ask the hon. gentleman whether the interesting offer from the Boeing Aircraft Company of which he spoke yesterday consists of delivering Boeing air frames for modification in Canadian aircraft plants?

Hon. Donald S. Macdonald (Minister of National Defence): I should point out that Boeing has made no offer as such. What we have received amounts, really, to a proposal concerning a method by which the 707 aircraft might be adapted for use as a long-range maritime patrol aircraft.

Mr. Rowland: Is it any part of such a proposal that this adaptation should take place in Canadian aircraft plants?

Mr. Macdonald (Rosedale): The preliminary question to be decided is whether this aircraft, which was constructed primarily as a long-range transport, can be modified so as to possess the hover-on-site capability possessed by the Argus. We would have to solve the technical questions involved in the use of the aircraft in this role before we could get down to any specifics as to construction.

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EXTERNAL AFFAIRS

INQUIRY TO DISBANDING OF COMMONWEALTH COMMITTEE ON INDIAN OCEAN SECURITY

Mr. Heath Macquarrie (Hillsborough): I wish to adress a question to the Acting Prime Minister. It concerns what might be called the still-born child of the Singapore conference, the standing committee on security in the Indian Ocean. Bearing in mind the growing number of resignations from this group, can the minister advise us whether a decision has been made by the remaining members to hold a meeting? Will the committee be disbanded, or is Canada waiting until all the other members drop out?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should like to say to the hon. member that we have no intention of taking any initiative to drop out of the committee. We considered that it was a useful initiative, and we still think so. However, I am satisfied that the committee will not meet. Too many countries have now indicated their intention to drop out of this committee, and a meeting would not be in accordance with the purposes of the Singapore conference.

URBAN AFFAIRS

POSSIBLE ESTABLISHMENT OF MINISTRY—POSITION OF PROVINCES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, in view of the importance of the subject of my question, as well as the importance of its constitutional aspect, I will put my question in English because the minister responsible for housing may not understand my French. May I ask the minister if the government intends to set up a ministry of urban affairs without the consent of the provinces?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, this subject has been under consultation with all the provinces—I repeat, all the provinces. In the discussions about the formation of a ministry of state for urban affairs and housing, we have found no one who has suggested that this would be improper.

Mr. Valade: Mr. Speaker, may I ask the minister if he has discussed this matter with the province of Quebec, and whether the province of Quebec expressed to the minister its opposition to the setting up of such a ministry?

Mr. Andras: Mr. Speaker, their views have been communicated to us. I think the sensitivity of the situation has been recognized by the type of institution, a ministry of state for urban affairs and housing, which we are contemplating and about which I may have more to say in more detail when the government organization bill is back in the House.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask the minister a question along the same lines.

Would he tell the House whether Quebec has given an affirmative answer and how many provinces have answered that they were in favour of this project to establish a department?

[*English*]

Mr. Andras: Mr. Speaker, I thought I had indicated that none of the provinces have responded in the negative.

* * *

[*Translation*]

INDUSTRY

JAME MANUFACTURING COMPANY—MEASURES TO PREVENT CLOSING

Mr. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, as the Minister of Industry, Trade and Commerce is absent, I will direct my question to his Parliamentary Secretary.

Would he tell us if steps have been or will be taken to prevent closure of the shirt factory in Saint-Denis-sur-Richelieu, that is the Jame Manufacturing Company, which is being forced to cease operations because of the large number of imported shirts to be found on the Canadian market?

Yukon Minerals Act

[*English*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there have been difficulties, as the hon. member knows, with a number of shirt factories in Canada. The Department of Industry, Trade and Commerce is discussing and examining each case and, where necessary, references have been made to the Textile and Clothing Board for specific examination.

Mr. Ricard: Mr. Speaker, my question was direct. It does not need such an elaborate answer. I just want to know if specific measures have been taken or will be taken in this special case in order that this manufacturer will not close up shortly.

Mr. Howard (Okanagan Boundary): Mr. Speaker, measures under the regulations and under the legislation are taken for the industry as a whole and not for a specific factory. In this context, the remedy must be applied on an over-all basis.

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INQUIRY OF THE MINISTRY

Mr. Barry Mather (Surrey): Mr. Speaker, I have a non-controversial question which I wish to direct to the attention of the Acting Prime Minister.

Mr. Knowles (Winnipeg North Centre): Watch out.

Mr. Mather: Could he say what consideration the government is giving at this time to selling to the United States a basic, renewable Canadian resource, snow?

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

YUKON MINERALS ACT

ADMINISTRATION, ACQUISITION AND RECORDING OF CLAIMS, ETC.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved that Bill C-187, respecting minerals in the Yukon Territory, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker, may I call it one o'clock?

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

Mr. Speaker: I now leave the Chair and the House will resume at two o'clock.

[*English*]

The House will resume its work at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

BUSINESS OF THE HOUSE

Mr. MacLean: On a point of order, Mr. Speaker. Perhaps I might be permitted to ask the Parliamentary Secretary to the President of the Privy Council to state what the business will be on Monday.

Mr. Jerome: Yes, Mr. Speaker. On Monday we propose to call as the first order of business the report stage of Bill C-182 concerning statutory instruments. If debate on that measure is completed, the second order of government business will be the report stage of Bill C-215 respecting the Textile and Clothing Board.

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YUKON MINERALS ACT

ADMINISTRATION, ACQUISITION AND RECORDING OF CLAIMS, ETC.

The House resumed consideration of the motion of Mr. Chrétien that Bill C-187, rejecting minerals in the Yukon Territory, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, before I open my remarks on Bill C-187, I wish to indicate to the House that I had the honour and privilege of being in the Yukon for the Sour Dough Rendez-vous last week. I enjoyed once more the warm hospitality of the people of the Yukon and I must say that this annual festival re-creates this so exciting period of the Klondike gold rush for all Yukon residents.

I was fortunate to be accompanied on this trip by a symbolic personality of Quebec City, Bonhomme Carnaval, who during these activities showed the people of the Yukon that the carnival spirit of their region was indeed very good, but certainly not better than that of Quebec. In fact, I think events such as this should be mentioned in the House, for they indicate that such exchanges between East and West and between South-east and North-west are most commendable. Therefore I would like to thank the people in Whitehorse and more especially the authorities for their warm hospitality.

Mr. Speaker, I have the pleasure today of introducing in this House a piece of legislation which amounts to a revision of the Yukon Quartz Mining Act which was passed by Parliament on July 23, 1924 and which governs the acquiring and managing of mining rights on Yukon hard rocks.

The act was written to a large extent along the same pattern as the regulation on franchising quartz mines on federal land in Manitoba and the Northwest Territories, including the provisional district of the Yukon, and that regulation had been adopted by order in council dated March 21, 1898.

The 1924 act has been only slightly amended since then, the last instance dating back 18 years ago.

In recent years, newly-developped processes and techniques for mining research and exploration activities have been in use. Owing to this progress, it has become increasingly obvious that the present Yukon Quartz Mining Act is obsolete and an obstacle to the potential economic expansion of the Yukon territory.

Several sections of this act are obsolete and lack clarity. I think the existing legislation does not allow for adequate management of the mining rights on quartz nor does it promote through more suitable means the exploration and development of the Yukon's large mining resources.

The concession of rights for the development and operation of mining resources by the Crown no longer brings to the latter a reasonable financial return, especially if we compare it to royalties levied in other mining areas in Canada. The existing act does not provide for the application to mining operations of existing land use regulations for the protection of nature in the Yukon.

The proposed bill is therefore a complete review and up dating of the Yukon Quartz Mining Act which will give way, if this new bill is passed, to a new text entitled the Yukon Minerals Act.

The primary objective of this bill is implementation of long-overdue changes to legislation on purchase and operation of minerals in the Yukon. The bill not only provides for more efficient local management but also for some new measures to stimulate the mining industry which is already flourishing in the Yukon.

The following are some of the main changes made in the act.

First of all, the elimination of the limit set on the number of claims which can be staked by an individual, which was formerly eight claims within a radius of 10 miles.

Second, the possibility for companies habilitated to operate in the Yukon to stake claims by proxy.

Third, the possibility of using a mound of stone instead of wooden legal posts in areas where there are no trees.

Fourth, the possibility of selling, before the staking out of a claim, metallic tags to be fastened to legal posts at the time of the staking out;

Fifth, the increase from 16 to 36 of the number of claims allowed to be grouped for the performance of representation work.

Sixth, the possibility of accepting as representation work any work other than material done at any time of the claim period.

Seventh, the possible authorization of representation work done on a claim after its staking out, but before its registration.

Eighth, the possibility for the Governor in Council to grant a lease of an initial duration of more than 21 years, if it is justified by special circumstances.

Ninth, the simplification of necessary formalities to obtain a mining lease.

Tenth, the possibility of deducting prospection and preliminary work expenses in calculating operating mines royalties, and also the possibility of receiving an allowance for the processing of the ores, as is already the case in some provinces as well as in the Northwest Territories.

In addition to the changes I have just mentioned, the text of the act was completely revised to take into account modern techniques of prospection and mining. The mention of firemen, horses and fodder, in the present act, is now obsolete and has been done away with in the new text. These changes are, on the whole, the result of a series of recommendations that were thrashed out, at meetings, by my associates and the representatives of the mining industry in the Yukon who made the proposals. The latter formed a joint commission to which participated the Chambers of Mines for the Yukon and British Columbia.

• (2:10 p.m.)

[*English*]

Another objective of the bill is to ensure a more realistic financial return to the Crown in exchange for minerals mined. It is proposed to increase the royalty rates applicable in the Yukon to a level comparable with those presently in force in some of the other provinces, such as Quebec. But they still will remain lower than in British Columbia or Ontario. While Quebec has a sliding scale similar to the one proposed for the Yukon, the Yukon rate would still be slightly lower than Quebec's, which imposes a 15 per cent royalty at the $4 million level as compared with the proposed Yukon maximum of 15 per cent on a net value of output of $5 million. The royalty rates proposed for the Yukon are lower, particularly with respect to small mines, than those levied in British Columbia, which are based on a flat rate of 15 per cent above $10,000, or Ontario's which are 15 per cent on everything over $50,000.

I should mention that most provinces have increased their royalty rates in recent years while the royalty rates in the Yukon have not been revised since 1928. The government has a responsibility to ensure that the people of Canada—including northerners—are paid at an economically sound rate for their nonrenewable resources. The government is very conscious of this responsibility and is fully determined to discharge it. Royalties in this instance ought not to be disproportionately below levels in other parts of Canada. The north is not the only place in Canada where mines operate in remote and isolated places and in difficult climates. British Columbia and Quebec, for example, have many mines which prosper under conditions no less difficult than those in the Yukon.

Under the existing royalty scale, returns to the public clearly are inadequate. Mining production in the Yukon in 1968 was $21 million. Royalties were only $45,000. In 1969 production had risen to $38 million and royalties paid by the six producing mines were still only $245,000. Even the new rates would still yield less than $1 million.

Another change to the act establishes that production expenses are exclusive of taxes payable or paid on the profit of a mine when calculating royalty payable under the act.

Regarding Canadian ownership and participation requirements, you will note that such provisions are being included in the new act. This will ensure that new mines in the Yukon meet reasonable requirements of Canadian ownership. Similar provisions already exist in the Canadian mining regulations which apply in the Northwest Territories and in the oil and gas regulations which apply to both territories. The provisions to which I refer stipulate that mineral leases may be issued only to Canadian citizens or companies that are incorporated in Canada. The provisions are not retroactive and will apply only to new claims or to existing claims which change ownership after the new act comes into effect. I should emphasize that the new decision at this time to include the Canadian participation provisions does not reflect or in any way anticipate the outcome of the general review of foreign ownership now being undertaken by the government.

• (2:20 p.m.)

I might add that some misunderstanding seems to have arisen concerning the Canadian participation provisions in that 50 per cent Canadian ownership would be required in all cases. This is not so. It should be remembered that the provisions would not apply during the claim stage, but only for actual production when leases must be acquired. Also the basic requirement is that all companies acquiring leases must be incorporated in Canada and must ensure that Canadians have an opportunity to participate in the financing and ownership of the company. If a company is listed on a Canadian stock exchange, this requirement is met, and the specific percentage ownership applies only to private companies, where the stock is not widely distributed or available for purchase.

Fears have also been expressed that it would be difficult to raise risk capital as a result of the introduction of these provisions. Our experience in the Northwest Territories where similar provisions were introduced in 1961 does not bear this out. For example, there have been three major staking rushes and the number of claims

staked annually has risen from an average of 2,000 to an average of 20,000, with a peak of 44,000 in 1968. The value of mineral production has increased from $25 million annually to $125 million for the same period.

Another feature of this bill is to require the approval of the Governor in Council for the export of any mineral or ore from the territory. In so far as currently producing mines are concerned, we will, of course, take steps to accommodate existing sales contracts. Future export approvals will be reviewed on an individual basis; the intent being not to inhibit mineral development and the sales of minerals abroad, but to encourage additional processing within the territory where feasible and to encourage attendant secondary industries. The building of smelting facilities in the Yukon would undoubtedly help the economy by creating employment for perhaps several hundreds of people and at the same time provide additional revenue for both governments.

I would also point out, Mr. Speaker, that there are provisions in the bill for the Governor in Council to establish regulations to bring into effect the purposes and provisions of the act. Section 102 of the bill details the circumstances under which regulations may be made and you will note that these are mainly administrative or having to do with fees and rentals. While such regulations will be mainly administrative, I am aware that the industry wishes to be consulted before they are introduced and I am not opposed to this process of consultation, or indeed, to the inclusion in the bill of suitable provision for this.

I might add that it is the intention of the government when these regulations are promulgated, to raise fees associated with leases and to increase lease rentals to a level approximating those in other jurisdictions. These adjustments will not be onerous and will affect only companies. It is not intended, at this time, to increase those fees for recording claims that would affect the individual prospector.

Conservation in Canada's northern territories, Mr. Speaker, is a matter of importance to all Canadians. The government's and my own department's response to this problem is well known and has received widespread support; the Arctic Waters Pollution Prevention Act, the Northern Inland Waters Act, the amendments to the Territorial Lands Act, the reports of the MacKenzie Delta task force on conservation, the close inspection of seismic operations and the development of land-use and wildlife research programs. To enable the government to protect and control the use of the surface of territorial lands within the Yukon, provisions have been made in the bill to make prospecting for minerals, or any work on a mining claim for which a surface lease has not yet been obtained, subject to regulations intended to preserve the delicate ecology of northern Canada. These regulations will be made available in a few weeks. Provision has also been made to facilitate the withdrawal of land from staking for various public purposes as these may be deemed advisable for the public good.

With regard to the regulations I have just outlined, these, of course, will apply to other industries and other facets of activities in the north. The mining industry has expressed concern that such regulations might inhibit development of the Yukon. I would like to assure members that discussions with industry have already taken place and I have every expectation that the regulations in their final form will protect the environment, but will not hamper mineral exploration and development unnecessarily.

Mining in the Yukon is moving ahead at an accelerated pace after stagnating for many years. The late sixties were very good years for the Yukon. The value of mineral production increased from $13 million in 1962 to nearly $38 million in 1969 and to an estimated $80 million in 1970. The decade of seventies appears to be even more promising. Mineral production has trebled in the past two years and is expected to double its present value in the next two.

I am excited by the prospects which now exist in the Yukon. I am excited at the prospects for all the north; and the Yukon especially stands at a new take-off point. This has come about as a result of favourable markets, of the incentives provided for the industry and to no small extent as a result of the government's program of providing infrastructure and special assistance in the north. Transportation facilities, townsite, hydro electric power and direct aids have all had their place in resource development in the Yukon.

The government stands ready to assist in the future as it has in the past. We are accelerating the construction of the Dempster Highway and now plan its completion in 1974. This new road will open many attractive areas of the Yukon for development. We are also studying alternative routes for connecting the Yukon to the continental railway system. Road and rail transportation mean growth of the kind so necessary in the north. They make it possible to develop resource based industries which are needed to provide the amenities of life which everyone expects today.

This newly revised act will bring the regulation of mining up to date and will modernize the legal structure on which mining claims are based. The proposed changes will materially assist mineral development in the Yukon and they will provide for a more realistic return to the public. The bill will have far reaching consequences for the Yukon. I have asked, therefore, the chairman of the Standing Committee on Indian Affairs and Northern Development to consider holding hearings in the territory. I believe northern residents should be heard. They must have a voice in what affects their future. They must also be directly involved, and given that opportunity to be involved, in what is happening in their part of the country.

• (2:30 p.m.)

Since first reading was given to this bill on November 9, 1970, I have received several representations from the Yukon's mining industry, from territorial residents and from other concerned people. This bill is not perfect and I do not say that it must remain precisely and exactly as drafted. When representations are based on new informa-

tion, when they bring a viewpoint which was not available at an earlier date, we are fully prepared to look a second time, or a third, at the proposals. The bill should be amended if there are substantive reasons for amendment. From representations that have already been made to the government, I agree there are substantive reasons for amending the royalty provisions to allow interest payments as deductions in calculating royalty and that such royalties should be computed only on ore actually sold in any given year. I would also agree there should be additional provision for appeal from the decisions of government or an official, specifically in cases of claim concellations and increased royalty assessment.

The government will give careful consideration to any further proposals for change. We want any changes to be improvements. We want any changes that are made to be based on sound and reasoned judgment, but we are not opposed to change if it can be shown that change is in the best interest of the Yukon's mining industry and of Canada.

[*Translation*]

Mr. Speaker, it was a pleasure to introduce this legislation. I hope that it will show the House the progress we made these recent years.

As far as economic and social progress is concerned, I feel that the Yukon can anticipate a future perhaps better than ever, because the basis of its economy is ever more varied owing to the different minerals which have been discovered and to other possibilities like the development of the lumber industry and, a very promising factor, the ever expanding tourist industry.

The Yukon is a marvelous place to visit and I hope that Canadians who want to know a place where the air is fresh, where pollution is at a minimum will visit the Yukon and perhaps also the Northwest Territories. This will give all Canadians the opportunity to realize that Canada is a young country and that 40 per cent of its territory is hardly at the primary stage of an extraordinary development. I hope that all Canadians will be willing to work together in order to ensure that the development of the North, and especially of the Yukon, will be a considerable asset not only for ourselves but also for our children and for future generations.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, we were very happy to have the minister with us during our celebrations in respect of the Yukon sourdough rendezvous. One thing for which we in the Yukon are noted is our hospitality, but even that invariable hospitality could not possibly have hidden from the minister the deep and bitter resentment of all Yukoners with whom he spoke about the introduction of this legislation, about the land use and other regulations made under federal statutes which he has mentioned. He knows from the previous representations he has received from the people that they do not want this legislation, with its objectionable features. He knows, by and large, the opinion of the Yukon people and of industry, not only in the Yukon but also in British Columbia, Alberta and Toronto, because he has received representations. He has been told that the good features of this bill should be retained in the form of amendments to the Yukon Quartz Mining Act, but that these good features are far outweighed by the attempt of this government to assume complete state control over the mining industry in the Yukon. I hope to prove that point as I go along. I hope to bolster it, not only with the views I express, but also with those expressed by organizations and individuals in the two western provinces, as well as in the two territories.

The minister has camouflaged his attempt to minimize the effect of these objectionable features of the bill by placing emphasis on the less important features of the bill, not less important per se but less important in relative terms. He says that new techniques make the existing Yukon Quartz Mining Act out of date. He says the present act limits the development of the mineral industry in the north. How can he, out of one side of his mouth, say with pride that there has been greatly increased mineral production in the Yukon, almost double normal production last year, and at the same time say that the Yukon Quartz Mining Act which governs that development is limiting development in the north. I suggest to him his argument is specious in that regard. He says the existing Yukon Quartz Mining Act does not allow effective management of mines. If he is speaking of effective management of mines by the private entrepreneurs who manage those mines, he is being critical of the management of private industry. But I do not think that is what he meant.

I think the minister meant that the existing Yukon Quartz Mining Act, because of its lack of facility for state control, limits effective mining in the Yukon by the government. He, therefore, attacks this in his bill by introducing the sort of stifling and suffocating provisions to allow bureaucratic control of the industry and then ties it all in with an all-embracing regulatory power. This regulatory power is not so innocuous as he would have members believe because of nine sections in the act only three relate to fees and rent. He says the existing Yukon Quartz Mining Act makes no provision for the protection of the environment. That is not in keeping with the fact. If the minister were familiar with the Yukon Quartz Mining Act, he would not make such statements. We all agree it is essential to protect the delicate ecology of the north. Large tracts of land in the Yukon do not fall within the category of what one might term a delicate ecology.

• (2:40 p.m.)

I have said the minister's statement that the existing Yukon Quartz Mining Act does not provide for the protection of the environment is not true. Now, I should like simply to point out to him that one of the sections, Section 72(1), which provides him with the power now to govern the manner in which the surface of the land over which the mineral claims are staked is used, gives him the power to direct that the surface of a mineral claim shall be used pretty well as he sees fit. There are other sub-sections of Section 72 which provide that the mining operation can only occupy the surface, and just so much

of it as is essential for the purpose of its mining operations. There are other other similar sections in the act. He says the new bill will allow more effective management. Well, if one accepts my argument of a moment ago that private industry is doing a pretty efficient job of management, since otherwise there would not have been the greatly increased production we see today in the Yukon, one can only assume the minister means that the new bill will allow more effective management by the government. It will certainly do that. The clauses in the new bill provide broad and sweeping, almost limitless powers, to officials in the department and to the minister himself. As the bill now stands, there is only the rare clause that provides for any appeal to the judicial process.

The minister says that the new bill provides incentives. I have looked over that bill pretty carefully and I cannot see any provision of incentives to the mining industry. Indeed, there has not been one of the dozen or more briefs that I have read, copies of which the minister and the Prime Minister (Mr. Trudeau) have received, that has not cried out against the oppressive clauses in the bill. When the minister speaks of incentives, therefore, he is inaccurate.

Then, the minister went on to list the ten relatively minor improvements to the Yukon Quartz Mining Act, and they certainly are improvements. Nobody is going to argue that the removal of staking limits is not an improvement, nor will anyone argue that staking by proxy is not an improvement or that staking by stone cairns on top of a 7,000 or 8,000 foot mountain is not an improvement over carrying up or flying in stakes in great numbers. Nor is anyone going to argue that our taxing provisions are not out of date and that the provisions in the new bill are an improvement over the Yukon Quartz Mining Act. Similarly, the increase in grouping the remaining provisions which the minister pointed out in his remarks is also an improvement. But these are only minor improvements in relative terms.

He asked the House to believe that the new royalties provisions for the Yukon are more favourable than are those in Quebec or those in British Columbia, yet he has received submissions from the organizations in British Columbia, in the Yukon and in Toronto that this is not the case at all. He speaks of the rate of royalties which indeed, in the manner in which he has explained it to the House, appear to be more favourable in the Yukon than in existing legislation elsewhere. However, he refrained from informing the House that if one examined carefully the subsections of the royalties provisions in the new bill one would find that there were all sorts of broad discretionary powers given to the minister, and one would also find that the allowable deductions with respect to royalties are not as generous as those elsewhere.

The minister said also that the government has a responsibility to ensure that the people of Canada, including northerners, are paid at an economically sound rate for their non-renewable resources. I wonder how many times he has heard those northerners whom he would like to include as participating in this kind of revenue cry out to partake not only in the revenues that are raised in the Yukon but in the manner in which they are spent. He said also that the north is not the only place in Canada where there are remote mines, that there are places just as remote and isolated as the mining operations in the Yukon. But he neglected to point out to the House that there are none more remote from the markets of the world with which our product has to compete. He failed to point out that our transportation problems, in the Yukon are far more difficult than those in any other comparable area of Canada. He also failed to point out, and this is a big factor when one is considering royalties, that in the Yukon the costs on the average are between 25 per cent and 30 per cent higher than elsewhere. One statistic comes to my mind as a good example, and this goes back eight years. The average annual production of United Keno Hill Mines used to fluctuate between $12 million and $15 million, and what was left of this after paying the costs of production, transportation and smelting, was between $1 million and $1.5 million. There is a comparison which he can stack up against the mines of the more southerly areas of Canada.

Then I had to sit back and listen to the irony of the minister's remarks with respect to mining production in the Yukon. He said that in 1968 it amounted to $21 million, and the royalties were only $45,000. He said that in 1969 production had risen to $38 million and the royalties paid by the six producing mines were still only $245,000. Not long ago we were debating changes to the Yukon Act which, if the government had followed the importuning of this House, would have given the people of the Yukon at least the democratic right to determine how the tax money which they were required to raise would be spent. We heard the minister say that the government could not broaden these powers now because the Yukon was not making enough to pay its way. He played down the economic contribution of the Yukon to the national treasury. Now, because it suits him, because the federal treasury wants more money from the producers of the Yukon, he speaks with pride. He tells us how much money is coming out of the mineral production in the Yukon, and this justifies the federal government in taking more. It seems to me that that must be the height of hypocrisy.

• (2:50 p.m.)

He spoke also of the Canadian ownership provisions. I will have a little more to say about that in a moment. There are two very weak points in the ownership provisions in this new bill. One is that if a company is listed on the Canadian stock exchange, under the provisions in the new bill, the requirement of Canadian ownership is met. All one has to do is to list the shares of a foreign company on the Canadian stock exchange. Then, the other requirement relates to a foreign company which is a private company, and unless the stock is widely distributed or available for purchase the provision in the new foreign ownership clauses will not be met. This introduces the element of discretion. Who is going to say whether or not a private company's stock is widely distributed or available for purchase? It is going to be the minister or, at the very most, the Governor in Council. If the minister asks us to believe that this will not hamper

the flow of risk capital into this country for the development of our resources, I will say, rubbish. In order to bolster this argument that the new bill is not going to scare away risk capital, because the Canada mining regulations have contained such a clause for many years, he cited the development in the Northwest Territories. He pointed out the difference in the great increase in the number of claims that have been staked and the great increase in the annual production in the Northwest Territories. But he refrained from saying what part was played in that increase in staking activity, and what part was played in that increase in production, by foreign risk capital. If one were to analyse the situation before the introduction of the Canadian mining regulations, and the situation in the years following their introduction, one might have a fairer idea whether or not the Canadian mining regulations foreign ownership clause did inhibit foreign risk capital coming into the country.

He says that another feature of the bill requires the approval of the Governor in Council for the export of any mineral ore from the territory. If that is not complete and absolute control by the state of the mining industry, I certainly do not know what is. Could the minister inform the House how many of the provinces exercise this power by Governor in Council? Could the minister tell us whether or not the province of British Columbia, or the province of Alberta, or the province of Saskatchewan, or indeed any other province even his own province of Quebec, exercises the power of export control over mineral production in the province? It would be very interesting to hear the answer to that.

And what a prospect this is for existing mines! Here are mines that in some cases, came into production in the Yukon on the basis of an investment in excess of $100 million, with plans laid over the space of three or four years and projected for 20 years. Now, the minister comes along and says that future export approvals will be reviewed on an individual basis, and if he so chooses, or the Governor in Council so chooses to disapprove of any particular mining company exporting ore, he may do so. What a prospect this is for existing producers. I wonder how many of them would have decided to go into production if they had been confronted with such a dictatorial power.

The minister speaks of a smelter improving the economic future of the Yukon. If this is such a great idea why doesn't the government do something about it? Why doesn't the government provide real incentive, and cooperate with private industry by establishing a smelter in the Yukon? The minister knows that has been the cry there for a good many years, and not only there but by organizations such as the British Columbia Chamber of Mines in Vancouver, as well as the Alberta Chamber of Mines in Edmonton. The minister says that if a smelter were constructed there would be hundreds of new jobs. He says that perhaps several hundreds of people would find new jobs. I can tell him, and he has received briefs from individuals and organizations which support this statement, that the very existence of this bill, the very disclosure of it last November when it was tabled for first reading, has caused all sorts of companies that were planning exploration activities in the Yukon this year to pull back. The general estimate of the Yukon Chamber of Mines, and of the British Columbia Chamber of Mines, is that exploration plans have been pulled back one-third, or that roughly 30 per cent of the dollars that would have gone into exploration activities in the Yukon this year are going elsewhere because of the existence of Bill C-187 and the land use regulations.

Mr. Woolliams: And the white paper on taxation.

Mr. Nielsen: The white paper on taxation is another matter, and it is the prime reason for the introduction of the amendment which I will be introducing shortly. Then, the minister speaks of the regulatory power. The Yukon Quartz Mining Act has been with us in the Yukon for almost half a century, with no regulatory power, and yet we have made the astounding progress in mineral development that we have. Now, the minister wants the House to believe that, because of the introduction of a new regulatory power, all of a sudden we are going to experience even more progress and development; that is garbage.

All the government wants by the introduction of that regulatory power is more control, more say over how the mines are going to be operated, more say over how much they are going to produce, and more say as to where their production is going to go. The minister says these are mainly administrative matters, having to do with rents and fees. Out of the nine subclauses only three have that import. The minister speaks about consultation. The minister has listened. He has listened to the members of the Yukon Chamber of Mines talking about consultation, consultation which he promised but did not initiate.

Mr. Chrétien: I met them personally last week.

Mr. Nielsen: Yes, the minister met them personally at the airport, with placards and a demonstration.

Mr. Chrétien: Mr. Speaker, I think the hon. member is not too familiar with the situation. He was not at the airport. There were no placards. There was a good group of Scottish pipers, and it was a welcome such as I never received anywhere else in Canada.

Some hon. Members: Hear, hear!

Mr. Nielsen: All I can say is that the minister does not know a placard from a babpipe.

Some hon. Members: Oh, oh.

Mr. Chrétien: Mr. Speaker. on a question of privilege—

Mr. Deputy Speaker: Order, please. Is the minister rising on a point of order?

Mr. Chrétien: On a point of order, in travelling from Ottawa I met far more people in the Yukon last weekend than the hon. member. I do not know why he had to hide.

Mr. Nielsen: The minister does not know a point of order from an objection to the remarks I am making. Speak to Mr. Hunt. Speak to the other officials who went up there to speak to the Yukon Chamber of Mines. Look at the pictures on the front page of the Whitehorse *Star,* where the placards are displayed for all to see. The Yukon Chamber of Mines organized a demonstration for the specific purpose of bringing home to the minister and his officials the fact that this bill was objectionable.

The government speaks of government by the people, and the minister knows that 95 per cent of the people in the Yukon object to this bill. Yet he comes to this House and attempts to put across the idea that all is rosy.

Mr. Woolliams: Why doesn't he have a plebiscite if he thinks this is right?

Mr. Nielsen: Plebiscites are not their way of doing things. They are not the Prime Minister's way. He doesn't even consult his cabinet on important decisions.

Then, the minister speaks about licences and fees. I mention just in passing what is now happening in the Yukon under a broad and sweeping change in the licensing and fees provisions of local ordinances, with decisions made in Ottawa funnelled down to the lackey of the minister and funnelled through him to the other two lackeys that he has made of two elected representatives of the people, all under his so-called governmental reform. That is precisely what they are.

An hon. Member: Oh, fuddle duddle.

Mr. Nielsen: The minister says that these land use regulations will have a great effect in the Yukon. Let me tell hon. members that one of the sections in those land use regulations will prevent any of you from driving your automobile, if it weighs over 2,000 pounds, off a public highway and along a non-public trail in the bush. What automobile today, even if it is a little jeep—

Mr. Sulatycky: It's a damned good regulation.

Mr. Nielsen: It's a good regulation, some member in the back says. I wonder if he would identify himself.

Mr. Sulatycky: Keep talking.

Mr. Nielsen: No, he won't identify himself. I invite him to come to the Yukon, and I invite him to try to get off the public highway in a vehicle that weighs less than 2,000 pounds, unless of course he has a bicycle. Now, if the hon. member wishes to stand up and identify himself he may ask a question.

Mr. Osler: He has been here as long as you.

• (3:00 p.m.)

Mr. Nielsen: The hon. member may ask how I get away from the Yukon. Every day I have been receiving objections from the Yukon Chamber of Mines, from prospectors and others, giving me their complaints and urging me to come down here and lay them before the minister. I am not going to say that the minister, knowing I am back there for that purpose, decided to smuggle this bill in today. I am not going to say that; I would not make such a charge. The minister is a good friend of mine and he explained that the bill was ordinarily to come up—

Mr. Francis: Mr. Speaker, the hon. member implies that this bill was smuggled in, and he knows this is not so. Full notice was given and it was arranged that this debate would take place when he was here. There was full understanding with the House leaders that there would be no debate unless the hon. member were present. The implication is most unfair.

Some hon. Members: Hear, hear!

Mr. Nielsen: I said I was not going to say it, didn't I?

Mr. Francis: I leave it to the readers of *Hansard.*

Mr. Nielsen: Except for the last part of the government whip's statement, I agree with him. I said I was not going to say anything like that which I did say! The minister says the regulations are intended to preserve the delicate ecology of the north. If the regulations are passed in their present form you will not be able to wear a pair of crampons up the mountain or go across the golf course wearing golf shoes, in case you damage the permafrost. The regulations are too tight. The minister would be aware of the reaction if he had listened when he was in the Yukon. Maybe he was overwhelmed by the hospitality.

Mr. Chrétien: Mr. Speaker, if the hon. member is willing to let me comment on that, the regulations were discussed with the people of the Yukon when I met them. I will not apologize for trying to protect the environment of the north. The hon. member should read the other parts of the statement I made recently in Whitehouse to the effect that we should not be so preoccupied with ecological balance as to inhibit development. We can apply good Liberal judgment in this matter and we will have a policy that will not promote either extreme.

Mr. Nielsen: That is correct! I cannot find any fault with what the minister says. However, the regulations are not for the purpose of conservation, nor is this bill for the purpose of conservation. Both of these invidious pieces of legislation are for the purpose of preservation at the expense of development and progress in the mining industry. There is no reason why the two cannot live side by side and hand in hand—but not this way. Conservation yes, but preservation never!

One does not want to create, as is the feeling in the Yukon, British Columbia and Alberta, one huge national park out of the Yukon. There is too much of value, not only to Yukoners but to all Canadians, to do that. We certainly do not want the kind of situation that exists in the park that is in my hon. friend's riding in Banff.

Mr. Chrétien: We have such a good policy in the park that the Liberal member, who is a very good member, was elected in Rocky Mountain in 1968.

Mr. Woolliams: Twenty-six per cent of the vote.

Mr. Nielsen: Now the minister says that the mining industry had been stagnated for several years. I could not agree with him more. Right up to 1958 the mineral industry in the Yukon was stagnating. He speaks of new roads, new incentives, new policies. Almost without exception those policies and incentives were implemented in the years 1958 to 1960. The Dempster Highway was commenced in 1960. The minister speaks with great pride about this "new road", the new Dempster Highway that will open up all sorts of wonderful opportunities. He is right. But I say that when this government took office in 1963, it did not have to drop the road. It was going well as started by the previous government and it would have been completed now. The then Prime Minister and the then Minister of Northern Affairs knew what was going to happen in the north and what did happen at Prudhoe Bay, and now we have the question of the pipeline and all sorts of difficulties with transportation because this government did not have the foresight to carry on with that road. They were pleased to call it the famous road "from igloo to igloo". Those igloos look pretty attractive now!

Let us get the facts straight. The minister says he is excited by the prospect which now exists in the Yukon. We were excited prior to November 9, 1970, when he brought down this bill, but now we are depressed. He says he is excited at the prospects for all the north. We were excited, too, before he brought down this bill, the land use regulations and the plethora of regulations which will smother development in the Yukon. We do not share his view. He, of course, does not mind that depression, being so far away from the Yukon and the north. He says this is a new take-off point. It will be—right over the cliff of disaster—if he does not bring in substantial amendments to this bill.

The minister speaks of amenities in the north and paints a rosy picture of what this bill will achieve in the creation of new production: it will make the land of the north a Utopia for everybody there. He referred to "the amenities of life which everyone expects today". Suddenly the government has taken an interest and has decided to take over power where private capital was prepared to do the job. Private radio was there, private power was there, private TV was there—it was private investment all the way. The minister will find a very marked departure from that if he insists that this bill goes through as it stands.

The minister speaks of directly involving the people. If he wants to do this, let me tell him what the people want. A resolution was forwarded to the Prime Minister (Mr. Trudeau) on February 12, over the signature of Mr. Van Tassell, president of the Yukon Chamber of Mines. A copy of the resolution was sent to the Minister of Indian Affairs and Northern Development and to the chairman of the standing committee. This is the voice of the mining industry in the territory. The resolution reads:

> Whereas the heart of the economy of the Yukon depends upon the maintenance of an attractive climate for the infusion of investment capital in the mining industry;
>
> And whereas several government measures now in existence and pending, such as the land use regulations made under the Territorial Lands Act, the regulations made under the Northern Inland Waters Act, the forestry regulations, the Yukon Minerals Act, the white paper on taxation and others have already seriously retarded investment and exploration activity to an alarming degree;
>
> And whereas Bill C-187, the Yukon Minerals Act, is primarily responsible for a substantial degree of the investment and exploration withdrawal which has and is now taking place in the Yukon with respect to the activities of the mineral industry by reason of the many harmful provisions contained in the said Bill C-187 such as, *inter alia*, the power to make regulations under the act, the lack of sufficient provisions for judicial appeal, oppressive royalties provisions, the unbridled discretionary powers of the minister and government officials;
>
> And therefore the Yukon Chamber of Mines resolves unanimously
>
> That the Prime Minister of Canada be requested to have Bill C-187, the Yukon Minerals Act withdrawn from consideration by the Parliament of Canada and that the Yukon Quartz Mining Act be retained as the statutory code governing the mining and exploration activities in the Yukon.

The position of the Yukon Chamber of Mines with respect to the land use regulations is set out in a two-page document attached to the resolution. I quote the last recommendation as follows:

> We strongly and openly declare that the government has two pronounced choices:
>
> (1) Turn a deaf ear to our proposal of "land usage" in our minerals act and set the Yukon economy back possibly irreparably; or
>
> (2) Implement our proposal and generate a healthy economic base for the Yukon and a return to the people of faith in the government's wisdom in legislation.

• (3:10 p.m.)

Industry and the people in the Yukon want regulations to be written into statutory form, to provide some basis for long-range planning by the mineral industry. That is not too much to ask. That is the way the mining code operates in the Yukon, and it has not retarded development: in fact, development has increased; it has enjoyed very healthy growth. Let us look at some of the comments of mining companies which have been in communication with the British Columbia and Yukon chambers of mines. One company says:

> Thank you for bringing to my attention the proposed amendments to the Yukon Quartz Mining Act. The proposed section 73 (20), if enacted, will stifle much of the mineral exploration work in the Yukon Territory.
>
> The problem...is not whether it "would" work in the Yukon under the proposed new regulations, but whether it "could"—

The writer was speaking of the Canadian ownership clause. Another communication from a company engaged in exploration and construction, in part reads as follows:

> If the bill is passed, there could be unfortunate repercussions if Alaska or other states adopted similar legislation.

Another communication reads:

> One would think that times are bad enough with a recession on hand, the uranium closure and Mr. Benson's tax proposals in mind without adding another factor to turn people towards Australia!

Another communication concerning the letter sent by the B.C. Chamber of Mines is as follows:

Received your letter regarding Bill C-187 and after reading it over discovered that a company such as ours cannot explore in the Yukon Territory.

It is unfortunate that the government chose to restrict entry of exploration capital. Our company will be doing mineral exploration throughout Canada, excluding the Yukon Territory.

Another reads:

The developments earlier this year and an extrapolation of further indications of restrictions have led to our decisions to cut back considerably on our initial 1970 budget. The recent blow of the Bill C-187 has now just appeared while we prepare our 1971 budget involving some heavy work commitments under options with Canadian companies.

You will understand that our outlook into our future in Canada is overshadowed with deep concern, as to what restrictions we have to expect next. If there are no signs of an end of the present trend, we may have to reconsider our willingness to invest large sums in Canada, and we may even have to change our mind completely and to dispatch Canada from the list of favourable countries for investments by our large group.

Another reads as follows:

Approximately three years ago, Mr. Chrétien toured Europe in order to stimulate European investment in mineral research and exploration in the Yukon and the Northwest Territories. He put special emphasis on the potential of these countries and on the general political stability of Canada. Ever since, all measures taken by the federal government tend to completely modify the climate of the mining industry in Canada: new fiscal legislation, limitation of foreign capital in the Yukon. All these measures tend to discourage foreign companies to invest in the Canadian mining industry which adopts a nationalistic policy like South American and African countries.

With regard to the Yukon, the recent increase of the royalty was already an unfavourable factor and in my opinion not justified considering the high costs of prospecting and mineral exploration in this country. The provisions of Bill C-187 would force us to create new companies to work in the Yukon in order to have Canadian shareholders right from the stage of prospecting.

And so it goes. Another communication reads:

Should this bill be passed and all other factors being equal, I would say that, given two exploration situations of comparable promise in B.C. and the Yukon, we would probably pick the B.C. project over that in the Yukon.

Another reads:

I can see no reason to recommend to my company that we do exploration in the Yukon if Bill C-187 is passed. It does not seem fair that if we take the big gamble on the exploration we should then have to give half of any success out to others who did not also participate in the earlier, high-odds gamble of exploration.

The British Columbia and Yukon chambers of mines sent excerpts of 30 letters to the minister. The last of these perhaps sums up the whole matter:

With respect to Bill C-187, under the conditions imposed by the bill it would effectively shut-out any exploration work that we would have in mind for the Yukon.

That indeed sums it up. We have heard from the industry. How about labour? Next I wish to read a telegram sent to me last January 18, by Teamsters Union, Local 31, Whitehorse, Yukon Territory. It reads:

[Mr. Nielsen.]

Teamsters Union wishes to register our objection to the proposed Yukon Minerals Act Bill C-187 because we believe it would be highly detrimental to the economy and future development of the Yukon Territory and its people. Our members are already feeling the effects of construction postponements due to the pending white paper on taxation and the passage of Bill C-187 would bring about large-scale unemployment to our members as well as economic hardship to every Yukoner connected with mining in the Yukon.

It is signed by Frank Bachmier, business representative. That opinion by labour could be repeated but I will not take up the time of the House in repeating it. I have received several such representations. I shall read one excerpt from a lengthy telegram I received from a company engaged in representation work for the mineral industry in the Yukon. The company, Archer, Cathro & Associates Ltd., is a small one. The telegram is dated February 8 and reads in part as follows:

During 1970 our firm managed mineral exploration programs in Yukon amounting to over seven hundred fifty thousand dollars in addition to a large involvement in casino project most of this money was attracted to Yukon entirely through our efforts and was spent there on goods and services this year our volume of work will likely drop by at least one third and will consist mainly of projects which were committed before first reading of Bill C-187 we now notice a strong reaction against Yukon by prospective clients and fear that we will be unable to find sufficient work in 1971 to maintain our Yukon base we have maintained our Whitehorse headquarters since 1966 and have concentrated our work in Yukon—

They go on to make critical comments about the bill. When the minister was in the Yukon, Jack Webster, the radio personality, asked him to comment on the unemployment predictions which I had made. The minister suggested in his reply that I should prove what I had said. I cite these examples and these telegrams, of which he is aware, as authentication of the statement I have made.

• (3:20 p.m.)

Once previously the Liberal government attempted to do what it is now attempting. At that time a Liberal member opposed the measure. The minister of the day was Mr. Lesage and the member in question was Aubrey Simmons. Some hon. members of the House remember the courageous stand Mr. Simmons took at that time. Although the government was stubborn in insisting on introducing amendments to the Yukon Quartz Mining Act which would have established the power with respect to making regulations for the people of the Yukon, that member was instrumental in having the bill withdrawn, or not proceeded with, after it had been read the first time and after some debate on second reading had taken place. I can do no better than refer hon. members tp Mr. Simmons' speech, to be found in *Hansard* of May 25, 1955. The debate commenced at page 4097. The motion was put by Mr. Simmons, that the bill be not read the second time, seconded, I believe, by Mr. Green. When Mr. Herridge spoke in support of the stand taken by Mr. Simmons—I might say he was supported by members of the NDP on that stand—he said on May 25, 1955, as recorded at page 4113 of *Hansard*—

Mr. Knowles (Winnipeg North Centre): We were CCF in those days.

Mr. Nielsen: And who knows what you will be tomorrow?

Mr. Knowles (Winnipeg North Centre): We'll be here.

Mr Nielsen: He said:

I can understand the hon. member objecting to any change being made, but I think his main argument on this occasion is that he is speaking for the people of the Yukon and that the government in introducing this legislation has overlooked completely or disregarded completely the wishes of the majority of the people in the Yukon.

That is exactly the situation that exists today—when I speak against these objectionable features of the bill, namely, that 95 per cent of the people in the Yukon are opposed to it. He said further, as reported at page 4114:

That is a massive weight of evidence and a massive weight of opposition against this legislation.

There is similar material in the possession of the minister; letters and telegrams that I cannot possibly read into the record of this debate. He continued:

For the life of me, I cannot understand the minister proceeding with this bill in view of the apparent opposition of the great majority of the people in the Yukon Territory.

The minister says it should be proceeded with in the interest of the mining industry and in the interest of Canada. He knows it is not in the interest of the mining industry. He says it is; the mining industry says it is not. The minister knows that it is not in the interest of the people of the Yukon. He says it is, but the people of the Yukon say it is not.

Surely, in the name of reason neither the minister nor the government would go so far as to say that regardless of what the people in the Yukon and the mining industry think, we shall proceed with this bill and enact it into law. There is an underlying need for cures in areas in which the government has dabbled or fuddle-duddled. There is need for an Arctic waters pollution prevention act, a northern inland waters act and amendments to the Territorial Lands Act. There is need for reform in these areas. However, when you add to Bill C-187 the land use regulations, all the other regulations made under various pieces of legislation, and the white paper proposals, you have a fairly definite pattern emerging. And when added to the CDC bill and other similar policies espoused by the government, one cannot help coming to the conclusion that this government has embarked upon a road which is leading directly to state control, socialism, and nowhere else.

I had to wait for some time to obtain a copy of the recent publication "Pierre Elliott Trudeau, Approaches to Politics". This book was published in 1970. There is a prefatory note to the volume, by Jacques Hébert. This series of articles is published in book form for the first time. I wish to quote an excerpt from article 16, page 76. Mr. Hébert says there is no way that the author of this book has changed his views between the time the articles were written, in and about 1958, and today. He is speaking about humane governments and where they derive their power. He is speaking of benevolent despotism. The author said:

—a benevolent despot might rule wisely, establish a just order for all his subjects, and leave them enough freedom of expression. Would such a regime not be based on the consent of the people?

Yes, this is conceivable. But such consent clearly could not be taken for granted. A mechanism would have to be provided to allow the people to express their opinions freely on the excellence of the regime and the wisdom of the despot. There would also have to be some device to ensure that the despot would abdicate if opinion went against him. And finally—

This is timely:

—a means would have to be invented to designate, peacefully, a successor whom the people would agree to obey.

I think the Prime Minister may have solved that problem.

Mr. Pepin: Don't look at me.

Mr. Nielsen: I am not looking at the minister when I say that. I draw that philosophy to the attention of the House because one must compare the actions of the government with this pattern of legislation. One can only reach the inescapable conclusion that that philosophy is being implemented.

There is no way in which we will defeat the government majority and prevent this bill receiving second reading and being sent to committee. I would like to do that: that is what the people of the Yukon want. However, it seems that the will of the people of the Yukon will be overridden by this government which is intent upon completing this great experiment in socialism in the north. None the less, I make this appeal to the House, as does the mining industry, the prospectors associations, the labour unions and, indeed, all Yukon people: Wait before giving the bill second reading. Wait before referring the bill to committee. Wait until the full impact on the industry and economic fabric of the Yukon and the north as a whole is known after the publication of the white paper, in terms of legislation, which I understand will appear some time toward the end of April.

This legislation cannot be assessed in a vacuum. There is no way in which the impact of Bill C-187 upon the economic fabric of the Yukon can be assessed until after all the combined economic factors have been brought to bear on that economy. For that reason, Mr. Speaker, I move:

That all the words after "that" be struck out and the following substituted therefor:

"That this bill not now be read a second time, but be read a second time this day six months."

• (3:30 p.m.)

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I listened with a great deal of interest to the two preceding speakers, and I have just heard the motion presented by the hon. member for Yukon (Mr. Nielsen). I should like to inform the House that we cannot support the motion. We feel that this bill should go to the committee of the House and that every opportunity should be given to

interested groups to appear before the committee in an endeavour to change the legislation if we see fit. I frankly admit that I spent a considerable amount of time on the bill. I believe some changes should be made to the legislation, and the place to make them is in committee rather than killing the bill at this time.

The minister has indicated that even with the new royalty rates that he announced and which will come into effect if this legislation passes, the Canadian government will receive less than $1 million in revenue from all the mineral activity in the Yukon. This seems to me not an excessive amount of income for the Canadian people to expect from this mineral resource. It also seems that in view of federal expenditures on incentives in this area perhaps the royalty rates suggested in the bill are not too far out of line.

Another point I should like to make is that while this legislation applies to the Yukon in general, I feel similar legislation should apply to the whole of the Northwest Territories. I understand that this is one of the major objections causing upset in the Yukon. They feel, quite naturally, that if they are to have excessive royalty rates or royalty rates that are higher than those in surrounding areas, mining companies could well move into the neighbouring Northwest Territories and, as a result, a considerable amount of exploratory investment capital could be lost to the Yukon. I feel that the government should not hesitate to make certain that legislation similar to that which they envisage for the Yukon Territory in the form of this bill should apply to the Northwest Territories.

This bill replaces the Yukon Quartz Mining Act. I believe improvements have been made in various parts of the bill. However, any mining operation in our northern territories is difficult. Costs are always high and conditions, weather and so on, are certainly different from those found in most parts of Canada. I feel that in the committee we could improve the bill having heard the views of all groups affected by the legislation. I trust we will be able to amend those sections of the bill which the minister has indicated he is willing to have changed so long as those amendments do not kill the intent and purpose of the legislation.

My main criticism of the legislation is that once again the federal government has completely ignored Canada's policy in regard to the over-all development of our natural resources. There has been no adequate planning to determine our actual reserves or the demands of the Canadian nation in future years. I feel it is essential that something be done along these lines to ensure that the natural resources which belong to the Canadian people are not depleted to the point where the economy of the nation in years to come is affected. In this respect the federal government has had very little policy in the past and has given practically no direction in the over-all development of the north.

I suggest that one of the main purposes of developing our mineral resources in this area is to provide a base for economic development that would bring both prosperity and stability to northern areas. At present the larger part of the mineral wealth has been staked out by foreign

corporations which are using it to supply their foreign-based companies with raw materials. Very little attention has been paid either by these foreign corporations or by the present government to the basic development that is required for the people who live in these areas.

One interesting and important change made by this bill is the increase in royalties over those stipulated in the Yukon Quartz Mining Act. One important point on royalty rates must be stressed. As I mentioned earlier, this royalty scale applies only to the Yukon, whereas I feel it should also apply to the Northwest Territories. These royalties are based on a sliding scale, running from 9 per cent to 15 per cent. The mining companies, particularly the mining promoters, make the usual cry that the new royalty rates will break them. However, an examination of these royalty rates, when viewed in conjunction with the large number of exemptions which the mining companies are able to deduct from their gross profit, indicates there is no doubt that they are still receiving very generous treatment at the expense of the Canadian people. Any mine producing minerals to a value of under $50,000 would pay no royalty. Under the present act the exemption is only $10,000. When we talk about the value of the output we must not forget that it has nothing to do with the gross value of the minerals involved. This is one point that many speakers very carefully neglect to mention when talking about royalty rates and taxes.

• (3:40 p.m.)

The value of the output upon which the royalty scale is based is arrived at after a considerable number of deductions have been allowed. These deductions include, first costs wholly and necessarily incurred for the purpose of operating the mine and processing and marketing the output therefrom to the extent approved by the minister; second, the cost of any research carried on in Canada for the purpose of reducing production costs at the mine, or salvaging additional minerals therefrom to the extent approved by the minister; third, the cost of any exploration work conducted on lands in the territory held or owned by the mine operator, other than at the mine site, not deducted in calculating the value of the output of any other mine. This cost is not to exceed 10 per cent of the gross value of the output of the mine for that year. Fourth, the cost of work on shafts, excavations, drifts, trenches, borings and other mineral exploration and mining development on lands at the mine site; and fifth, for a mine operator who processes ore in the territory there may be deducted an amount equal to 8 per cent of the original cost to that mine operator of the machinery, equipment and buildings in the plant used for the processing of the ore. This amount is not to exceed in any year 65 per cent of the value of the output of the mine before making such deduction. There may also be deducted an annual rate, not exceeding 15 per cent and in the aggregate 100 per cent, of the total expenses incurred by the mine operator prior to the day on which production commenced at the mine in exploring and prospecting for and developing the mine.

When all these deductions, along with the three-year tax exemption on profits which is presently in force, and

a number of programs under which mining companies can obtain assistance from the government in northern development, it would appear that an increase in royalties is certainly justified. I might point out that the province of Ontario has placed a flat rate of 15 per cent royalty on all profits over $50,000. They have a total exemption if profits are less than $50,000. The province of Manitoba set the royalty rate at 6 per cent of income less than $50,000, and 15 per cent on total income over $50,000. British Columbia and Quebec have different royalty rates but they are slightly higher than in this act. I might add that the present bill only reaches the 15 per cent royalty rate when the value of the output exceeds $5 million.

Mr. Speaker, I feel the more important aspects of this question lie in what I consider are very grave omissions in the legislation. It is my intention to deal with several of these, and other speakers in our group will no doubt enlarge upon these topics. As I mentioned earlier, there has been lack of adequate research and study into Canada's mineral resources in the north and in the rest of Canada. There has been no adequate research on our future national needs for various minerals, similar to the study by the National Energy Board on oil, gas and coal. In this study, the future demand and supply reserves were estimated, based on probable reserves and projected future production. Our future needs were based on certain premises of what our economic growth, industrial development and trading patterns would be.

It seems, however, that as far as other mineral resources are concerned the Canadian government is pursuing a "head in the sand" type of policy. The government apparently assumes that we have plentiful reserves and that our economic growth and balance of payments depends upon ever-increasing development and sale of our natural resources by whoever can be enticed to exploit them. This is the situation in which we find ourselves today. Our natural resources are being shipped outside our national boundaries in ever-increasing quantities and we in turn are buying back the finished products from the countries which take this raw material.

The tragedy of this policy is that our nation, which is one of the richest in the world, always has a large float of unemployed. Much of this unemployment could be eliminated if we had the foresight to insist upon fabricating a great deal of this raw material within our own nation. This fabrication has not taken place on a large enough scale because of the lack of foresight and planning by the federal and provincial governments, which have allowed the control of our natural resources to pass mainly into the hands of foreign investors.

For every job which is created in the extraction of raw materials for shipment to another nation there are literally hundreds of jobs which the other country can create by processing and fabricating our raw material into manufactured goods. Every step in the manufacturing process is usually far more job-intensive than the initial extracting process. It is time the Canadian people realized the position into which successive governments have driven us by their continual failure to take firm action on this major problem of having far more of our raw materials processed within our own country. As I mentioned earlier, this "head in the sand" economic policy is making fortunes for a handful of promoters in our extractive industries but is creating large-scale unemployment and poverty in some sections of Canada. The present policy might suit the industrial tycoons of the world but it certainly is not the best policy for the vast majority of Canadians.

In section 81 of the bill which is before us the government is offering an 8 per cent deduction of the original cost of the machinery, equipment and buildings in any plant used to process a mineral in the Yukon Territory. I feel this is a step in the right direction. It is similar to the incentive grants which are used to help establish industry in some of the slow-growth areas of our nation. In my opinion, however, this legislation does not go far enough. The federal government should insist, just as the Ontario government has done, that in future all ores mined in the territories must be processed and treated in Canada. Any exemptions would have to be based on a very strict set of regulations. One exemption might be in the shipment of uranium ore, which I understand is safer to ship without too much processing. The requirement that all ores and minerals mined in the territories be treated and processed in Canada would help ensure the development of our north and would help guarantee that the mineral resources in that area would benefit the citizens of Canada and especially those living in the Yukon and Northwest Territories.

There is no doubt that there are a number of opportunities in the north for the building of smelters. The raw material is there, and all we need is the determination of the government to insist that this type of processing shall take place. Any increased processing in the area would be a major economic boost for the territories. It would mean more jobs for the inhabitants and a larger tax base for the territorial governments and their municipalities. The processing of ores in the territories could lead to other types of industry and the establishment of a sound economic future for the entire area. All reports from our Canadian north indicate the lack of job opportunities, particularly for the native Indian and Eskimo populations. This bill, if adequate amendments were made to it, could make a start on providing more employment in our northern areas for all the residents who live there.

• (3:50 p.m.)

There is another large area of concern in northern development and this is in the field of pollution control and protection of the over-all environment. The lack of concern in this bill for pollution problems is a glaring omission. It is a clear indication that this government has no intention of really clamping down on environmental pollution. Section 96 refers to the northern inland waters act and any regulations made under section 3 (b) of paragraph 1(a) of section 18 of the Territorial Lands Act, yet no regulations have been made under this act. Therefore, we are being asked to pass a bill with no knowledge of the regulations that will be passed. There is no doubt the economic interests have been successful in diluting the measures required to fully protect our northern provinces. This will show up eventually in the land use

regulations which are still being held up in the Department of Indian Affairs and Northern Development despite the fact that increasing oil, gas and mineral exploration has been going on for years in the territories.

This bill should contain a list of pollution regulations which should be rigidly enforced by the department. High national standards should be included in the regulations. Our Canadian north is a relatively new area so far as major development is concerned. It should be protected at all costs from the disgraceful environmental pollution which has taken place in other parts of the country due to lack of enforcement of adequate regulations. Administration in this area would be relatively simple because of the limited number of operations. New mining operations should, before production is commenced, prove that their standards are adequate and that they have met fully what I hope will be a set of strict regulations laid down by the department.

Another example of government neglect is the lack of ecological studies done in our north. Such studies are absolutely essential to the drawing up of meaningful regulations but, as usual, the federal government has blundered along with little attention being paid to this very important aspect of environmental control. The result has been unregulated economic activity in all sections of the territories, and already immense and lasting damage has been done to the ecology of that area.

Perhaps one of the major blunders of the federal government and the Department of Indian Affairs and Northern Development has been in the complete indifference and lack of concern over the building of the Bennett Dam on the Peace River. Officials were too shortsighted and indifferent to appreciate the damage which could be caused to the lower reaches and in fact the whole of the Mackenzie River and the Mackenzie delta. The enormity of the damage already done is just beginning to be realized by the parties concerned. Water levels have been dropping, the nesting of wild fowl, fish runs, muskrat life and the native population in the area have been hurt. Despite the subjective lesson in the need for ecological surveys, we find that this government has again ignored the need for such surveys in the over-all picture. Under the northern Canada power commission bill powers are given to the commission in respect of hydro development without the stipulation that adequate surveys must be made to ensure that the ecology of the area is fully protected.

There has been a great deal of discussion in the last few days in the newspapers, over the air and in this House concerning the building of a pipeline down the Mackenzie River valley to bring oil from Alaska and oil and gas from the northern section of Canada. Again this is just part of the need for ecological regulations in respect of all legislation, including that concerning minerals and processing in the Yukon and in other parts of the Canadian north.

Pollution control involves not merely prevention of destruction of the environment but concern for conservation and a judicious use of our resources. Government policy in the north shows little concern for the conservation of our non-renewable resources. It is absolutely essential that governments realize that population control, resource conservation and pollution control all play a part in the over-all plan of managing our environment. Unless we realize this at a very early date and take the necessary steps to set up a program to integrate these various features, there will be little chance of adequately solving the grave pollution problems which face us in the north. I say, Mr. Speaker, that of all places in Canada the northern area is where these three major and important factors should be included in all our environmental planning.

The demand for mineral resources is best illustrated by the increasing rate of extraction and the dwindling global supply of high-grade metallic ores. If we use available data from the United States, it would appear that the United States will need about 700 per cent more aluminum, 225 per cent more copper, 50 per cent more iron and 40 per cent more lead by the year 2000 than they now consume. At present the United States imports most of its manganese, chromium, cobalt, tin and bauxite, having used up much of its own high-grade supplies. Available mineral deposits are not inexhaustible, even in our Canadian north, and I feel that Canadian planning and conservation measures are needed.

Here is one view of mineral resources which is most interesting. If the standard of living represented by Canada's per capita gross national product were extended to all the five billion to seven billion people of the world, the human race in the year 2000 would need annually 1,300 per cent more aluminum, 900 per cent more copper, 700 per cent more iron and 1,100 per cent more lead than it now consumes. Before we could possibly reach this level of consumption the present estimated global supply of readily recoverable ores would be exhausted. The magnitude of these figures, however, is not limited in significance to the metal supply alone because as we get into bodies of ore which are less concentrated than those currently being mined in the north we will need a great increase in the energy required to extract such vast quantities of metal from these lower grade bodies of ore. In addition to the raw needs for material and energy, this rate of consumption would be accompanied by pollution and waste-disposal problems of similar magnitude.

If we are to provide for future generations we will have to learn to recycle our mineral supplies rather than depend entirely on the development of new mines. That is why it is essential that adequate and proper planning for our natural mineral resources should take place in the Yukon Territory and the Northwest Territories. This is one reason we should not be too anxious to turn over to foreign speculators some of the richest ore bodies to be found anywhere in the world. This is another reason we should insist on far more of our natural resources and far more of our mineral resources being processed and fabricated in our own country. The rape of natural resources is going on in many countries of the world at an

unprecedented rate. Once a resource has been depleted by money-hungry promoters, these promoters pull out with their fortunes and leave behind a hole in the ground and a large number of inhabitants who have no basic economy to which they can turn in order to make a living.

Mr. Speaker: Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions and private bills.

• (4:00 p.m.)

PRIVATE MEMBERS' PUBLIC BILLS

CANADIAN NATIONAL POLLUTION AWARENESS WEEK

MEASURE TO MAKE PEOPLE AWARE OF ENVIRONMENTAL POLLUTION

The House proceeded to the consideration of Bill C-25, respecting Canadian National Pollution Awareness Week, as reported (without amendment) from the Standing Committee on National Resources and Public Works.

Mr. Tom H. Goode (Burnaby-Richmond-Delta) moved:

That Bill C-25, an act respecting Canadian National Pollution Awareness Week, be amended by deleting the long title and substituting therefor:

"An act respecting Canadian National Environment Week".

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

Some hon. Members: Agreed.

Motion No. 1 (Mr. Goode) agreed to.

Mr. Goode moved:

That Bill C-25, an act respecting Canadian National Pollution Awareness Week, be amended by deleting clause 1 on page 1 and substituting the following therefor:

"1. This act may be cited as the Canadian National Environment Week".

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

Some hon. Members: Agreed.

Motion No. 2 (Mr. Goode) agreed to.

Mr. Goode moved:

That Bill C-25, an act respecting Canadian National Pollution Awareness Week, be amended by deleting line 7 on page 1 and substituting therefor:

"every year, the second week in October shall"

Some hon. Members: Explain.

Mr. Goode: Mr. Speaker, this amendment is a move toward implementation of two important changes which I

promised the members of the Standing Committee on National Resources and Public Works I would propose at the report stage.

Hon. members may remember that during the debate on second reading of Bill C-25 the feeling was expressed by a number of hon. members that the name of the proposed week be changed from Canadian National Pollution Awareness Week to Canadian National Environment Week. I believe that the suggestion was first made by the hon. member for Northwest Territories (Mr. Orange). The hon. member's reasoning was to the effect that such a change would emphasize the positive good to come from a clean environment, rather than the negative image of a polluted country. As I told the committee, I find this argument a compelling one. The word "environment" seems to encompass a broader range of activities and subject matters than the words "pollution awareness". In addition, I believe that such an amendment would also meet the objections of the hon. member for Madawaska-Victoria (Mr. Corbin) who pointed out a possible inconsistency between the French and English versions of the bill.

Several members commented during the debate on second reading on the suggested timing of the environment week. My proposal had been the second week in March, in line with the observance of pollution awareness week in my riding. In Burnaby-Richmond-Delta, in the second week of March we are well into spring and so the thought of environmental housekeeping is a very natural one. However, we have only to look outside the walls of this House to see that March is not likely to mean spring in all parts of this country, and for this reason alone it seems preferable to choose another time.

Another factor concerns National Wildlife Week which is established by statute as being the week which contains the date of April 10. There was some concern by the Canadian Wildlife Federation that the impact of each week would be lessened by virtue of their being so close together. The federation made clear that while it supported the proposed environment week, it would prefer the week to come at some time other than the spring of the year.

The members of the committee considered very carefully the two issues involved here, the change of name and the change of date. I believe it can be said that the proposed changes received the general support of all committee members. To avoid the possibility of becoming involved in certain procedural difficulties, it was decided by the committee that the bill would be reported without amendment provided that I would undertake to propose the necessary amendments at the report stage. I am fulfilling that commitment today.

Before resuming my seat I wish to express my very sincere thanks to those members from all parties who have shown that a matter as important as the preservation of our environment need not be made a partisan issue. A spirit of co-operation and selflessness has been evident during both the second reading debate and consideration of the bill in committee, and for this I am

truly grateful. I hope that that spirit will reign once again this afternoon in order that we may move through the report stage and third reading within the next few minutes.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to corroborate many of the statements just made by the hon. member for Burnaby-Richmond-Delta (Mr. Goode). I sat on the committee which met a day or two ago at which this amendment was discussed, and the agreement was as has been stated by the hon. member. As he said, the chief objection to the timing was that it might conflict with National Wildlife Week and, therefore, lose some of its impact.

The fact that this is a necessary and useful bill stems from the fact that much public attention now is drawn to environmental pollution and the study of the environment in all its phases. Therefore I think it serves to underline, if that is necessary, the need for public attention in respect of this very important social aspect of our society. While the bill is a rather simple one, it does not do much more than that. Perhaps it will be the forerunner of other legislation and will support other legislation affecting our environment, such as the Canada Water Act. So we on this side of the House go along with what the hon. member said and we are ready to give this bill speedy passage.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I would like to speak very briefly on the bill which is before us and say that our group has no hesitation in giving full support to the legislation. I am a member of the committee which dealt with the bill. I am pleased that we are to have a change in name, not so much because the name itself is a major factor in dealing with environmental problems but the change from Canadian National Pollution Awareness Week to Canadian National Environment Week is certainly an improvement and will bring home to the youngsters in our schools, who will no doubt have this drawn to their attention in October of each year, the fact that pollution is very much concerned with every aspect of environmental policy.

There has been a tremendous change among members of this House and the public regarding environmental problems. It is good to see people in all parties and in every section of the country determined that at long last we shall clean up our environment. I believe this bill is a step toward making them aware of this problem and, as I said earlier, I have no hesitation in fully endorsing it.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I would like to make a few comments on this bill. The hon. member's idea has survived, although the title and all clauses of the bill have been amended. That is quite a mauling for a committee to give a bill but, as he said, he undertook to introduce these amendments and I think they will help in making the bill more effective.

• (4:10 p.m.)

[Mr. Goode.]

I rise merely to make one suggestion in connection with the choice of week for pollution awareness. We are aware of pollution during the whole year. We cannot help being aware of it. The public is aware of it. We who represent the public are aware of the many problems associated with it. It is not just one week of the year that we will be aware of pollution, or of the environment, as the amendment reads.

I suggest that for communities which have special water pollution problems—and there are a number of them—combined with the second week in October they might have a "soap week" in order to make people more aware of the pollution problem. This would be a good idea for communities which have special water pollution problems caused by phosphate detergents. During that week the communities could encourage their citizens to use non-phosphate cleansers, and have the local water resource commissions tabulate the results. If a special program such as this were undertaken in various parts of the country, environment week would have a much greater impact.

It is generally recognized that there is not enough phosphate-free soap in Canada to meet the needs of the people. But there should be enough phosphate-free detergent available for communities which have these special problems. Preparations for such a program could be made early in the fall after schools have reopened. I have found that high school students are keenly aware of the pollution problem and are anxious to do something about it. That is another reason why I support this proposal.

Motion No. 3 (Mr. Goode) agreed to.

Mr. Goode moved that Bill C-25, respecting Canadian National Pollution Awareness Week, as amended, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Richard): When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Goode moved that the bill as amended be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. Jerome: Mr. Speaker, I wish to advise the House that we have agreed to proceed with Bill C-32 in the name of the hon. member for Peel South (Mr. Chappell).

The Acting Speaker (Mr. Richard): Shall items Nos. 2 and 3 stand?

Some hon. Members: Stand.

CRIMINAL CODE

MEASURE TO REPEAL SECTIONS RESPECTING ABORTION

Mr. Hyl Chappell (Peel South) moved that Bill C-32, to amend the Criminal Code (Abortion), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, Bill C-32 would remove abortion from the Criminal Code and allow it to be a moral and medical decision rather than a legal one controlled by sections of our Criminal Code. Judging from the correspondence which I have received, I believe this subject has been discussed by almost every adult Canadian during the last three years. In fact, few subjects have received more consideration. Although there is extremely strong support for removal of the criminal prohibition, I am well aware of the fact that some in my riding, and indeed in every riding in Canada, are not only opposed to this extension of the individual's rights but would turn the law back and prohibit abortion completely.

Of course, abortion is an important moral and social issue and will always remain so no matter what the law says. We all hope that some day research and dissemination of information on family planning and birth control will make it unnecessary and obsolete. But our problem is here and now. Can we allow our laws to deny medical assistance to those whose moral beliefs can accept medical termination of pregnancy, and want it desperately?

In 1969, by amendment to the Criminal Code we restated the law, allowing abortion provided a committee of doctors in an approved hospital was of the opinion that the continuation of the pregnancy would or would be likely to endanger the life or health of the woman. That legislation passed with a substantial majority after lengthy debate in the committee and in the House. I believe there is a need to re-examine the basic points relevant to the first debate.

In England, as far back as 1861 a therapeutic abortion was lawful if necessary to preserve the life or health of the woman. That law remained constant for over 100 years from 1861 until codified in 1968. There was clear judicial pronouncement not only that the abortion was not unlawful if for the purpose of saving the life or health of the woman, but "health" was given a broad interpretation in that the courts recognized that continuation of a pregnancy could depress health both mentally and physically. That law was adopted in Canada and remained until, by a drafting error some years ago, the word "unlawful" was left out of the code.

After that we had uncertainty until 1969. A doctor might have found himself in the impossible situation where he could be charged criminally if he performed an abortion to save a life, and sued civilly if he failed to do so if such operation might reasonably have saved a human life. Even worse was the moral conflict in the minds of doctors. Medically and privately doctors might have felt a duty to end a pregnancy to preserve the life or health of the woman, but feared to do so because of possible criminal charges or, at best, public criticism. In 1968, England codified its law on abortion, spelling out the need for two doctors to agree that the continuation of the pregnancy would involve risk to the life or health of the pregnant woman. This included physical and mental health and also the health of her existing children.

When we were cross-examining the doctors who appeared before the Justice and Legal Affairs Committee in respect of the proposed abortion legislation, they agreed that abortions had been taking place in many Canadian hospitals for some time when the life of the mother was seriously endangered. It would seem, however, that this medical salvation of life was only sparingly used.

• (4:20 p.m.)

In 1969 we codified what had been the law in England and in Canada also for many years and had been the practice, to a limited extent, in some Canadian hospitals, namely, to allow abortion if a continuation of the pregnancy would or would be likely to endanger the life or health of the woman. But there is a limiting condition. It has to be authorized by a committee of doctors, in a hospital which has governmental approval and which has in fact set up such a committee.

Because the subject is so immensely important from both a social and individual standpoint, the entire nation and in fact the world has had to revalue its attitude toward the individual's behaviour and to rethink the basis or ground rules for legislation which interferes with an individual's rights. In Sweden, Singapore, Japan, just recently in England and Hawaii, New York state and Maryland, abortion is now at the woman's choice. In many other American states abortion is allowed in certain cases. Abortion is here both in law and fact, but does our abortion law properly respond to conditions as they exist in Canada today?

The Canadian Federation of University Women, which has a membership of 10,000 university graduates from every province and territory in Canada, at its conference in August, 1970, took the position that our present restrictive law on abortion constitutes a serious threat to the health of an alarmingly high number of Canadian women. They adopted the policy of liberalization abortion laws so that it would not be a crime for a licensed physician to perform such operation at the request of the woman. They argue that this would protect the health of many Canadian women who are forced to have illegal abortions by unqualified persons, under unsanitary conditions.

The Royal Commission on the Status of Women in Canada has recommended that the Criminal Code be amended to permit abortion by a qualified medical practitioner at the sole request of any woman who has been pregnant for 12 weeks or less, and at any period if the doctor is convinced that continuation of the pregnancy would endanger the physical or mental health of the woman.

The *Globe and Mail* in its editorial of May 19, 1970, pressed us to follow the abortion legislation changes just

passed in England and in support of this position pointed out that there were reasonable grounds to believe that literally hundreds of illegal abortions were performed in Toronto every week, and perhaps as many illegal abortions in Canada as there are births. If this is correct or even only substantially correct, it would seem that the Canadian Federation of University Women and the royal commission have much justification for their stand.

It is generally accepted that a just law is one that applies equally to all persons. Our present abortion law does not. Whether or not a woman can obtain an abortion in Canada would be accidental, depending on the city in which she lives, whether there is an approved hospital, whether an abortion committee has been set up and the interpretation the committee members put on the meaning of "health". If refused, a wealthy woman could go to a foreign nation. It is a relatively short trip to New York state. But a woman of very little means, who may have far greater need for the abortion, could not afford to do so. Daily advertisements appear in the Toronto newspapers offering to arrange abortion services in Buffalo. This may be fine for those who can afford it, but it creates bitterness and resentment for those who cannot.

The Canadian Psychiatric Association, whose members have charge of our mental health and who will have to make the decisions as to what abortions are justified, request that the restrictions in the Criminal Code be removed and that the decision be left, like any other medical matter, to the doctor and patient. In a sampling of his riding, one hon. member found that 85 per cent favoured removal of limitations from the Criminal Code. The topic is full of questions of principle, irreconcilable differences of opinion and emotional overtones. Some hold the religious belief that a fetus from the moment of conception is a human life with a soul. Others disagree, believing it is only potential life. Who can say which view is correct or that their view should be forced upon others and that one must not or may not have an abortion? Are we not better to leave it to the individual conscience?

We all profess to believe in equal application of the law, but in this case we do not give it. Nothing could be more cumbersome and expensive than the procedure now required to get an abortion. For all practical purposes, only the very rich can benefit from the law as it stands. We profess, also, to agree with the principle of the protection of individual rights. If this is so how can we legislate away the right to a medical abortion by calling it a crime unless performed according to the ritual set out in the Criminal Code?

As the law stands today, a doctor who is a member of an abortion committee must decide in which case he will perform the abortion to save a mother's life and in which case he will take a chance and risk her life. This is a heavy and unnatural burden on him, particularly if he has to decide in his conscience whether he is taking a life. It is a cruel position for the woman who is refused the abortion and believes that her health will be permanently impaired, her life lost or she will be incapable of properly sustaining that life after birth. Would it not be better for the person whose body is involved to make the moral decision whether an abortion would be taking a life, and the physical decision whether to submit to surgery or let the pregnancy continue?

Mr. David MacDonald (Egmont): Mr. Speaker, the mini-debate we are having this afternoon is perhaps but a preview of a longer and more intense debate which will take place presumably before the end of this session. I think it has been indicated, perhaps because of the increasing unrest across the country, that one or two days will be given to debating this important question. I am sure that all members are grateful to the hon. member for Peel South (Mr. Chappell) for placing this topic before the House again in this bill taking, as he does, one of the positions espoused by a growing number of people in this country which can best be described as "abortion on demand".

I am somewhat surprised that the hon. member, who is a distinguished lawyer, as is the seconder of the motion for second reading of the bill, should in effect take the route of dealing with this difficult problem by simply suggesting that this part of the law which refers specifically to the question of abortion be wiped from the statute books. My profession is not the law, so I find it rather strange that I should be standing in this chamber telling at least two lawyers—and perhaps others—that the way to deal with a serious social problem is surely not to avoid facing it altogether by removing it from the legislative statutes of the land.

Surely the hon. member for Peel South and others realize that in trying to deal with the question of abortion we are dealing with something that has a host of social consequences. These social consequences are so fundamental that not to observe them in some way or other under the laws of the land in a sense would be to advocate some form of anarchy. For instance, I presume that the hon. member for Peel South would not advocate the removal from federal or provincial statutes of laws with respect to marriage, with respect to the responsibility that guardians have for children, with respect to inheritance, and so on. These are all very important social questions and social contracts.

• (4:30 p.m.)

It should also be stated that in moving this kind of bill the hon. member is not in fact advocating liberalization of the laws; he is advocating that there be no law. That is an entirely different question. It is important for us not to become confused, because we are not dealing with a liberalization of the law; we are erasing the law respecting an important social matter. If we are to maintain order in society, our actions must be governed by law.

The Criminal Code, in a free society, reinforces the freedom of individuals, a freedom derived from democratically prepared laws. If we remove from the present code provisions governing human life from its inception, we shall be removing from the code an area of major responsibility. If we did that, it would be like removing from the code all concerns for humanity. I admit that the code is not in any final and perfected state and that

many improvements could be made to it, because it applies to conduct within our society. But that is not the question.

I have been struck increasingly by the extreme positions that have been taken on the question of abortion. There is, I suggest a "groceteria" approach to conception. That approach is known as "abortion on demand". That position is symptomatic of the condition of our society in which too many want convenience above all else. An endorsation by this House of the "store-front" approach to abortion would be a major step backward for this country. That would be questionable, especially from the standpoint of how we value human life.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): The other extreme that many of us have witnessed could be described, I suppose, as the "fetus über alles" approach. Those advocating this approach are prepared to sacrifice all for the fetus, the physical and mental health of the mother, of the family, and perhaps of the unborn child. They do not mind if the child is to live a life of discomfort and misery. The rights of the fetus are above all. I submit that this position is as tyrannical as the one advocating abortion on demand.

A strange aura surrounds this question and many suggestions introduced as arguments are irrelevant. One argument that you hear quite often from those who advocate abortion on demand is that, after all, since the fetus is in the body of a woman she should have the right to determine whether she should give life or not. My answer to that argument is that I have not known of any women who became pregnant all by themselves. Pregnancy is not the result of one person's act. It does not occur because a person suddenly says, "I think I will now become pregnant." It arises in most instances out of a social relationship.

Some hon. Members: Oh oh!

Mr. MacDonald (Egmont): Usually, it is one that is cemented by a bond resulting in permanent union. That being so, how can someone who says that the individual has the right to determine whether or not the fetus shall live overlook certain basic responsibilities and feelings of the individual who shared in the act of conception and who has related responsibilities to other members of the family and to the community? This whole question must be looked at in some kind of balance and taken in its totality. There is a danger of our losing sight of that fact in this discussion.

The basic question which cannot be ignored is, when does life come into being? There is no agreement on this. How much easier it would be for our discussions in this House and elsewhere if we could say when the human fetus is recognized as an individual and unique human being. It is fair to say that the largest religious community in this country, the Roman Catholic church, has been most outspokenly opposed to suggestions that the abortion law be liberalized. I have in my hand a copy of the brief which the Canadian Catholic Conference submitted to the special committee of this House on abortion in 1968. They state as follows:

> —it is difficult to determine the exact moment when we can be certain that the fetus is human.

That statement is true not only from the standpoint of their ethical and religious position but also from the standpoint of medical science. The basic difficulty, as we all admit, is that we have not arrived at any commonly agreed position as to when human life begins. I would also argue that there is as much danger in our spending too much time on this question as there is in ignoring the larger question, the question that must be obvious to members who are concerned about the health of society generally. I am talking about the value of life itself. That is why as a member of the House I have become increasingly alarmed about the dogmatic positions taken by a number of people in the country.

Anyone who argues that abortion should simply be a matter of the individual's whim ignores some important questions. Think, for instance, of the difficult position in which this might place doctors. Let us say that on a certain afternoon a patient walks into a doctor's office and says, "Doctor, I am so many weeks pregnant. I believe I should not have this child and I want an abortion as quickly as possible." Being busy, the doctor probably will not spend too much time going into the reasons for her request and he will perform the abortion. Then a few days or a few weeks later we might see the same woman coming into the doctor's office and saying that she feels unhappy and disappointed now because she has decided that after all she wanted the child. That would not only be ridiculous; it would be tragic. Obviously, some reasonable mechanism must be set up for dealing with the question. It will not be dealt with if we simply ignore the question by erasing from our statute books existing laws on this subject.

A large proportion of people in this country probably agree that the present law touching abortion is unsatisfactory. But you will not get better law by having no law, and that seemed to be the argument presented in the chamber this afternoon. One of our major difficulties in this country is that we do not know accurately how many abortions take place. A number of different authorities have suggested that perhaps upward of 100,000 women in this country have recourse to illegal or completely unsafe abortion procedures which sometimes bring tragic results and often cause the unnecessary death of innocent women. That problem, surely, cannot be overlooked, no matter what position one takes on this question.

Quite frankly, I think that federal and provincial governments have displayed a major shortcoming in the past few years because they have been either unable or unwilling to gather sufficient information on this question. With such information, Members of Parliament and members of legislatures could bring forward better laws and better procedures than exist at present. I participated in an extensive series of hearings on this question almost three years ago. Time and again when we tried to make definite decisions with respect to

improving the law we were faced with difficulties arising through insufficient accurate information. Without that information, of course, it will be impossible to improve our laws.

We must face this problem, Mr. Speaker. I think all hon. members have received sufficient correspondence and talked personally to enough constituents to realize that this is a growing and pressing problem, not only from the standpoint of the health of the individual but from the standpoint of the health of the entire community. If we are not prepared to face it, we must find a reasonable procedure which will allow for an acceptance of decisions with respect to the question of abortion that can in some way meet what seem to be almost extreme and unresolved positions.

I believe there are few questions with respect to modern-day family life that are more in need of thorough study, more thorough than any of the studies I have read to date, than the whole question of response of society to the question of abortion and the total health of the family.

• (4:40 p.m.)

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I rise to say a few words in support of the bill before us. I hope it will be referred to the committee for further consideration. I am sure the hon. member for Peel South (Mr. Chappell) is aware that there is on the Order Paper Bill C-165 in the name of my colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis). Except for the number of the bill, it is identical in every way to the one we are considering. As a result of the way in which bills get on the Order Paper, the hon. member's bill is being dealt with earlier because of its lower number.

I wish to deal with one or two points raised by the hon. member for Egmont (Mr. MacDonald). He referred to the fact that a decision made by two people to bring a new life into the world is a matter of serious social consequence and one that should not be indulged in lightly. I agree with that portion of his remarks. However, I was astounded when he suggested that the mover and seconder of this bill, whom he referred to as distinguished members of the legal profession, were in effect taking a simplistic approach to this question from a legal point of view by simply suggesting that certain provisions be deleted from the Criminal Code.

Like the hon. member for Egmont, I am not a member of the legal profession. However, I am amazed that he would suggest that if the subject matter of abortion were removed from the Criminal Code—that is, if the various sections which make it a criminal offence were taken from the law of the country—we would be in the position where there would be no law on this subject. I suggest that the hon. member for Egmont is being simplistic in his approach, rather than the members who proposed this bill. All that is suggested is that these matters be removed from the area of what constitutes a criminal offence.

I suggest to the hon. member that all the normal laws of the land with respect to health matters, who legally

can carry on the practice of medicine or surgery, are not in any way affected by what is or is not in the Criminal Code in this connection. The hon. member suggested that if this bill is passed, there will be a vacuum in the law on this very important question. That is not in accordance with the legal facts as they prevail in this country. Let us consider what is involved.

Mr. MacDonald (Egmont): Would the hon. member permit a question?

Mr. Barnett: Yes.

Mr. MacDonald (Egmont): Would the hon. member indicate what legislation would cover the controls that might exist with respect to the whole range of an individual's options if there were nothing in the Criminal Code or any other statute with respect to the terms under which a woman might secure an abortion?

Mr. Barnett: I do not have all the relevant information before me. I am well aware that we have a great many laws which restrict the practice of medicine and provide who may perform surgical abortions in this country. The question of what can or cannot be done as far as individuals are concerned depends a good deal on the laws which state who can or cannot practice in the area of health. This law, in my opinion, adequately deals with the question of whether an abortion should be performed. I agree with the hon. member that abortion on demand is a lot of nonsense. There is no such thing. Even with the legislation in the Criminal Code—

Mr. MacDonald (Egmont): Perhaps I can be more specific, to help the hon. member with what he has in mind. Can he indicate what legislation presently exists, either federal or provincial, that guarantees the rights of the father with respect to the question of abortion?

Mr. Barnett: Mr. Speaker, that may or may not be so, but I suggest that the Criminal Code as it presently stands does not deal with that question in any way. In any event, I suggest that when a married woman approaches a doctor, in the ordinary practice of his profession the doctor would have some right to exercise his medical discretion to determine whether the other parent should be consulted. This, of course, moves into the question of social legislation.

I do not argue with the hon. member that there should not be certain changes in some of the relevant provincial social legislation. My main point is, first, that the passage of this bill would not leave a complete vacuum in the legislative field in this area, as suggested by the hon. member. Second, this whole subject matter should not be dealt with in the Criminal Code as part of the criminal law. There is a place for offences committed by those who are licensed to practice in the field of health services, but the questions that arise in relation to this provision in the Criminal Code are theological rather than criminal. The question should be considered in that light. In my humble submission, Parliament and the

agencies of state should avoid legislating on theological matters. That is properly a matter for an individual's conscience, for religious bodies to which individuals choose to belong, and the religious tenets to which they choose to subscribe.

• (4:50 p.m.)

So often in the correspondence I receive on this subject it seems to be suggested that if this kind of bill were to pass, Parliament would be taking some positive action to say, in effect, that people must have abortions. Of course, this to me, as I think to any member of the House who has followed this matter, is arrant nonsense. It is this misconception of what is involved in changing legislation that should be stressed in a debate of this kind. I think this misunderstanding has been added to in part by some of the people who have coined the phrase "abortion on demand", because it creates the impression that if Parliament takes action to eliminate certain sections of the Criminal Code we will, in effect, be compelling people to have abortions, which of course is complete nonsense.

I have digressed from what I originally intended to say about this bill so as to deal with the question raised by the hon. member for Egmont. While we may not have reached a complete meeting of minds on the matter, I think we may have moved somewhat toward common ground. I have made the point that what we are doing is releasing this question from legislating on what people should or should not believe, freeing people to live according to the ordinary tenets of social legislation in such a way that they can follow their own beliefs in this matter regardless of what they may be. In a country which prides itself on freedom of religion and on freedom of belief, I think this kind of theological restriction should not be within the ambit of the Criminal Code of Canada.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased to take part in this debate on Bill C-32, to amend the Criminal Code.

First of all I should like to point out that the object of this bill to remove from the Criminal Code the word "abortion", which would enable us to look upon abortion as an operation very similar to a tonsillectomy or a blood transfusion with which the government has absolutely nothing to do and which is left at the doctor's and patient's discretion.

Mr. Speaker, I am absolutely against this bill and in saying that, I am speaking on behalf of all my colleagues.

Our position is not only a matter of conscience for us as human beings, but it is also the point of view of 90 per cent of our electors.

As all hon. members know, abortion was openly questioned by the Ralliement creditiste at the time of the now well-known omnibus bill in the spring of 1969.

My position and that of my party is still exactly the same: time and government may change but a man's conscience does not, at least I hope so. It is quite often said that we should modernize our way of thinking. I agree on several points such as the union of churches, the modification of electoral legislation to lower the voting age to 18 and so on.

But the moment the subject is pure and simple murder of a child that cannot defend himself, I do not agree any longer. If I were to accept this principle I would have to agree that, for the economic welfare of pre-war Germany, it was alright to kill all the Jewish people who owned the biggest part of this country's capital.

If I did agree with the abortion principle I would also agree with the Felquistes ideas to the effect that federal or federalist politicians are harming the political and economic health of Quebec and so on.

However, I find from reading *Hansard* that the sponsor of this bill entertains a rather wide conception of freedom.

As recorded on page 935 of *Hansard* for November 5, 1970, the hon. member stated and I quote:

> Freedom consists of freedom of the press, freedom of speech with the right to criticize and protest, freedom of movement, which includes the right to carry on one's chosen activities without fear or interference.
>
> It does not include the right to destroy the basis of the society which is out guarantee of freedom.

I should like to call the attention of the House on this excerpt from the speech the hon. member for Peel South (Mr. Chappell) delivered in the course of the debate on the bill to provide temporary emergency powers for the preservation of public order.

I am very anxious to hear the hon. member state whether he and his party consider that the basis of our society is simply not freedom to be born. Otherwise, what is our society heading for?

Why should we for days and months discuss the proper means to punish those who oppose our present system and, at the same time, try to legalize murder on request?

I might be told that the aim is to free the woman and to allow her to be the master of her own body, that the government should not interfere with a woman's alleged freedom to kill the fruit of her womb, but I do not believe in such a freedom. I do not think that to enjoy freedom one can justifiably kill another person, and I emphasize these words because evidently, before birth the child is already a human being distinct from his mother and possessing all the essential features of a human being.

Here, I should like to recall a fact that all hon. members have no doubt witnessed, at least those who keep small pets for the enjoyment of their children.

I for one have always allowed my children to keep a few rabbits as it keeps them busy and teaches them from infancy a sense of responsibility towards living beings. Now, if a female happens to litter while people are around, it will eat all its young to the last.

Such action is repugnant to me and certainly to all hon. members, after the explanation given.

We could therefore say under the law that a mother is killing her child so that he will not have to struggle for life. This is punishable just like murder. To my mind, a mother is not free or so-called free to decide whether the child must live or die once he is born. Now we would give this so-called freedom to the mother in respect of her unborn child?

The Acting Speaker (Mr. Richard): Order, please. The private members' hour has now expired.

[*English*]

It being five o'clock p.m., this House stands adjourned until Monday next at two o'clock p.m. I will not make any more predictions about the weather. I hope it will be pleasant and that hon. members will be able to enjoy a day outdoors.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 8, 1971

The House met at 2 p.m.

THE LATE A. B. DOUGLAS

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, once again we have the heavy task of noting the loss by the House of Commons of one of our members in the untimely death of the hon. member for Assiniboia. Ab Douglas was a man of very wide knowledge, great human qualities, tremendous industry and transparent integrity. We sorrow because a promising career in this place is now denied him.

I remind the House that his first public service had to do with education when he was a trustee in a school district in the province of Saskatchewan. He served in that or in like capacities on school boards for a period of 22 years. Probably no finer groundwork for unselfish public service could be laid than by being associated with a school board for a period of 22 years.

Mr. Douglas had the respect and friendship of every member of the House. His passing is a very great loss to us and we sorrow with his family. Our sincere sympathy goes to Mrs. Douglas and their four sons. I would hope some condolence would come to them from the knowledge that the very human qualities he brought to the House and to the task he performed here over the very short period of two and a half years are bound to endure.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in expressing our regret over the very untimely death of the hon. member for Assiniboia I should like to associate myself and my colleagues with the remarks of the Acting Prime Minister (Mr. Laing). Most of us have known Mr. Douglas only since his election in 1968. Those on this side of the House saw him as a cheerful, goodnatured but very diligent representative of his constituency, constantly pressing for action for the welfare of the people he represented. To the people of Saskatchewan he was, of course, well known and highly respected for his work in various fields, including the education of youth, as the Acting Prime Minister reminded us, and among farmers.

• (2:10 p.m.)

I recall very vividly the occasion last October when the hon. member seconded the motion for the adoption of the Address in Reply to the Speech from the Throne. In addition to his attachment for his constituency and for his province, we noted his fervent interest in all manner of issues, including agriculture, tax reform, economic management and anti-pollution measures. On that occasion he quoted the following words from a speech credited to the late Governor General, Georges Vanier:

> People do not age by living a number of years. I am convinced we grow old only by deserting our ideals. We are in fact as old as our doubts and despairs, but we are as young as our faith and our hope, especially faith and hope in our youth, which is, after all, the same as saying our faith and our hope in our country's future.

To Mr. Douglas' family may I say that those words of the former Governor General are a most fitting description of the life of the hon. member for Assiniboia—a life filled with faith, hope and ideals.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the members of the New Democratic Party would like to go on record as expressing their great sense of loss at the passing of Mr. A. B. Douglas, Member of Parliament for Assiniboia. He was respected and esteemed in all parts of the House as a conscientious and hardworking member, and I am certain the House will miss him.

For me there is a sense of personal loss. Mr. Douglas came from Weyburn, Saskatchewan, an area which I had the privilege of representing for some 26 years in this Parliament and in the legislature of Saskatchewan. Consequently, I have known Mr. Douglas since he was a very young man and had a very high regard for him. We were very good friends. During the period that I was associated with the government of Saskatchewan I had the privilege of inviting him to serve on a number of commissions and boards representing the school trustees of the province. As one would have expected, he brought to every task painstaking industry and forthright integrity.

On behalf of the members of this group I would ask you, Sir, to convey to his wife, to his four very fine sons and to his mother our deepest sympathy in their time of bereavement. I hope it will be of some comfort for them to know that although he was cut off in his prime he gave of himself unstintingly in the service of his community and his country, and that we in this House feel we have lost a valued friend and colleague.

Mr. Oza Tetrault (Villeneuve): Mr. Speaker, I would like to say on behalf of our group that we deeply regret the passing of the hon. member for Assiniboia. We always considered Mr. Albert Douglas to be a very active member in committees and in the House of Commons. May we offer to Mrs. Douglas and her family our deepest sympathy.

Mr. Speaker: I should mention to the House that I have already conveyed to Mrs. Douglas the condolences of the

members of this House, and it will be my duty to transmit to her and to her family the expressions of sympathy by the representatives of all parties in the House.

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (C), 1970-71

REFERENCE TO STANDING COMMITTEES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to move a motion pursuant to Standing Order 59. I move seconded by the President of the Treasury Board (Mr. Drury):

That, with the exception of the votes relating to the Department of Veterans Affairs, the Supplementary Estimates (C), tabled in the House on March 4, 1971, be referred to the Standing Committee on Miscellaneous Estimates;

And that the said votes relating to the Department of Veterans Affairs, namely, votes 10c, 15c, 35c, 40c, 45c and 50c, be referred to the Standing Committee on Veterans Affairs.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday last when the President of the Privy Council asked leave to make a motion somewhat along these lines I indicated that I had two points of order which I wished to raise. Shortly thereafter I communicated to you, Sir, and to representatives of the other parties the content of my two points of order, and I am glad to say that one of them has been met.

That first point of order was to the effect that there had been a commitment that any supplementary estimates relating to veterans affairs would be referred not to the Standing Committee on Miscellaneous Estimates but to the Standing Committee on Veterans Affairs. I appreciate the fact that the President of the Privy Council in redrafting this motion has kept that commitment, which takes care of that point of order. However, Sir, the other point of order still stands, and I raise it now as one that some of us regard as very serious.

My point has to do with the use of dollar items in the supplementary estimates for the purpose of legislating amendments to existing statutes. May I make it clear that this is not just a rehash of debates we have had over the years on the use of dollar items. The reason I say that is that recently we have changed our rules, and I submit that there is a new situation which makes the practice about which I am complaining an abuse of the rules and an abuse of the rights and privileges of Parliament.

If my counting is correct there are 21 dollar items in the Supplementary Estimates (C) which the present motion covers. Seventeen of these dollar items have the effect of changing the description attached to certain expenditures already approved, or of providing for a continuation into the new fiscal year of items, already approved, and so on. I do not complain about the use to which dollar items are being put in these 17 cases. There are some that are a bit shady, but in the main these 17 cases are in line with what I regard as proper practice for the use of dollar items.

However, Sir, the other four items are items which are not estimates at all. They are not a case of the government asking Parliament to provide money. The use of a dollar item is just a device. The dollar is not needed; the dollar is not spent. The dollar is just a device, and in the four cases about which I am complaining this device is being used to amend four specific statutes.

The four statutes being amended are the Pension Act, the Civilian War Pensions and Allowances Act, the War Veterans Allowance Act, and the Established Programs (Interim Arrangements) Act. I might indicate that the first two, the amendment to the Pension Act and the amendment to the Civilian War Pensions and Allowances Act, will be found in item 35c under Veterans Affairs, the amendment to the War Veterans Allowance Act will be found under 10c in Veterans Affairs, and the amendment to the Established Programs (Interim Arrangements) Act will be found under item 7c of Finance. If Your Honour will check these items, as I am sure has been done since notice of this point of order was given on Thursday, you will agree that it is quite clear that in each of these four cases we are providing by the bill to be based on these estimates that the statute in question is being amended. I do not think I need read the items in order to make that point.

• (2:20 p.m.)

In the case of the items that come under Veterans Affairs, the amendments in all cases consist of altering certain schedules so that higher pensions or allowances will be paid. In the case of the item that comes under the Department of Finance there is an extension beyond the period of time specified in the statute at the present moment. In other words, Mr. Speaker, in each of these four cases, actual acts on the statute books of Parliament are being amended by this process.

A moment ago I said that in my view this is a new situation because of the rule changes that we made. May I point out, therefore, that when we did the massive overhaul of our rules two or three years ago we made significant changes in two areas, one relating to the legislative process with respect to bills and the other relating to estimates.

With respect to bills, we cut down the number of stages of debate to a maximum of three; there are now not more than three stages at which a bill bringing in an Act or amending an Act can be debated on the floor of Parliament. However, we retained that possibility of three stages; there are always two and sometimes there are three. In no case did we eliminate all such stages.

With respect to estimates, however, and knowing full well what we were doing, with our eyes wide open we took them off the floor of the House of Commons completely. We abolished the committee of supply; we provided for estimates to be referred, on a motion that is not debatable, to standing committees; we provided for the

committees to do the consideration of the estimates and we provided that a report back from a committee to the House is not debatable. We also provided that a bill based on estimates can be put through all stages in one day regardless of Standing Order 72, thus cutting out any chance for a debate at report stage, committee of the whole or any other opportunity. In other words, we completely removed from debate on the floor of the House the consideration of estimates.

At this moment I am not saying whether we did the right thing; I am simply stating a fact. I am saying we did it knowing very well what we were doing. In case anyone wants to say that on allotted days we can discuss estimates if we so provide, I am prepared to admit that such is the case. However, it depends on what opposition members put down whether or not that happens. But if an opposition member should put down as an opposition motion a discussion of the activities of a particular department, even at that point we do not have the estimates in front of us. In other words, we do not have the actual government proposal. At the risk of repetition, Sir, I therefore make the point that the change we made when we overhauled the rules a couple of years ago took estimates completely off the floor of the House.

To go back to my other point, we did not do that to legislation and we did not do it to ordinary bills. We did not say that anything other than estimates can be dealt with without ever being discussed on the floor of the House of Commons. There are no dollar items in the main estimates, of course, but when you put into the supplementary estimates dollar items which provide for amendments to the four statutes to which I have referred, you completely deny to the House of Commons the right that is guaranteed under the provisions, particularly about public bills, and any opportunity to discuss these matters.

I contend, Mr. Speaker, that this is an abuse of the rules, that this is an abuse of the rights of Parliament and that any rulings that there may have been about dollar items prior to the changes of the rules do not now apply. We are in a new situation; we are in a regime under which anything that is put in the estimates cannot be discussed on the floor of the House. I submit that for us to be handed a device under which amendments to four statutes of this Parliament are to be put through without there being any chance to discuss them on the floor of the House is an abuse of the rules and contrary to what we had in mind when we amended the rules two or three years ago, actually at the end of 1968.

As I have already said, Sir, I am not making a carte blanche objection to dollar items. I think that when a dollar item changes the description of an expenditure or of the way in which an expenditure already voted can be used, that it is proper, for that is in the field of estimates. But when something is tucked into the book of supplementary estimates and when that something amends existing statutes, then I submit it is wrong and we should not stand for it.

May I point out to you, Sir, that when Bill C-207 was first introduced and a point of order was raised by the hon. member for Peace River (Mr. Baldwin) because of its omnibus nature, Your Honour admitted from the Chair that your first look at that bill caused your eyebrows to be raised, because it was such a wide bill and had so many things in it. Your eyebrows must now be at the top of your head because, having had an opportunity to look at this booklet of supplementary estimates, you will have seen on the front of it the words "Supplementary Estimates (C) for the fiscal year ending March 31, 1971." You would be expected to believe that the title is correct and that that is what is in it. However, you would find in it not only supplementary estimates covering the whole gamut of public administration, but these four cases in which existing statutes are to be amended. I submit that if Your Honour had some doubts about the omnibus character of Bill C-207, you must have serious doubts about this proposal, not just because it has a wide range of things in it but because it has something in it that does not qualify under the heading of supplementary estimates.

I should also like to point out to Your Honour that if these estimates go through in their present form, the day will come when you will lead us over to the other place to get Royal Assent to a bill. On the assumption that you will use the formal words you have always used on other, similar occasions, this is what you will say: "May it please Your Honour, the Commons of Canada have voted certain supplies required to enable the government to defray the expenses of the Public Service. In the name of the Commons I present to Your Honour the following bill: An Act for granting to Her Majesty certain sums of money for the Public Service for the financial year ending 31st March, 1971, to which bill I humbly request Your Honour's assent."

Now, Sir, if you make that statement, you will not be uttering an overt falsehood but you will not be telling the whole truth. Your statement will be to the effect that what you are presenting to the Governor General or his deputy for approval is a bill containing estimates, containing sums of money required for the Public Service. The whole truth would be that in this bill along with moneys for the Public Service there are amendments to four existing statutes. I do not think that this House of Commons should put Your Honour in the position of having to make a statement in the other place which, as I say, although not containing an overt falsehood will not be the whole truth.

• (2:30 p.m.)

If I were concerned about the rights of the Senate, which of course I am only in an academic or objective way, I would raise another point. Actually, if I were over there, and thank heaven I am not, I would object strongly to the way in which this bill denies the Senate the right that it has to discuss and amend ordinary legislation. The Senate cannot deal with our supply bills. It can only accept or reject them. It cannot amend them. By tucking these four bills into a bill covering supplementary esti-

mates, the government is denying Their Honours the right to discuss, vote upon or even propose amendments to four bills which they would otherwise have the right to do. Despite my well-known views about the Senate, I think it is appropriate that I point out in an academic way that this is contrary to the rights of Parliament.

I recognize that we in this place are anxious to find ways and means to expedite the handling of our business. Maybe we want to find some way to get some bills dealt with without their taking up any time on the floor of the House of Commons. If we are going to make this decision, let us make it as a House of Commons. If this is what we are going to do, it should be done by an amendment to the rules. Let us not have it shoved into our procedures by the government resorting to this device. These bills in this book of estimates are not a case of voting money but rather a case of getting four bills amended without parliamentary debate.

I welcome the fact that the motion has been changed so that the estimates having to do with veterans affairs will go to that committee. My prediction is that they will be passed very quickly in that committee. I even predict that if the necessary bills were brought to the floor of the House in the proper way, they would be passed very quickly and that no time would be lost in improving the position of our veterans. However, the whole point of my intervention is that the rights of Parliament are challenged by a government that uses this device. Any argument that might have been used for it in the old days when estimates came to the floor of the House does not apply under our new rules.

I therefore ask that Your Honour give this point of order the serious consideration that it deserves. The least Your Honour can do is require that the title of the bill based on these estimates be changed so that you will be an honest man when you go to the Senate to ask for Royal Assent. It would be even more appropriate if Your Honour would rule that the four dollar items in this book which are amendments to the existing legislation, should be removed from the supplementary estimates and made the subject of separate bills.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has raised a point on which I have spoken many times. As a matter of fact, I would refer Your Honour to the Journals of the House of two years ago when the Standing Committee on Miscellaneous Estimates brought in a report criticizing the government for this particular practice. At that time the committee saw fit to accept my persuasion and criticize the government. There then followed an allotted day on which this matter was discussed. Not only that, but Their Honours in the other place, in the report of the Senate Committee on National Finance, also criticized the government about these dollar items of a legislative nature. I will refer to them as I go along.

[Mr. Knowles (Winnipeg North Centre).]

I do not want to traverse the ground that has been covered by the hon. member for Winnipeg North Centre with regard to the practices of the House. What concerns me is the apparent lack of concern by both members of the treasury benches and the backbenchers on the government side as to what is happening.

Not only veterans affairs is involved. I suppose that by simply turning those items over to the Standing Committee on Veterans Affairs the President of the Privy Council (Mr. MacEachen) thinks he has met the objections on this point. Far from it, I suggest, Mr. Speaker. But there is an item in the Department of Finance supplementary estimates extending the Established Programs (Interim Arrangements) Act which was passed in 1964 or 1965 and received very extensive debate in the House. It is due to expire in 1971 or 1972 with regard to certain arrangements which, incidentally, affect only the province of Quebec. It is the only province that availed itself of the measly carrot held out by the government under that bill. Yet by a dollar item that Act is being extended for two years. What is the purpose? Is the purpose to be hidden from the House? There is absolutely no way that the House can pronounce itself on the reasons for the extension or whether it should perhaps be extended for four years or something of that nature. In the same way the other House cannot express its opinions. It cannot amend such a provision in an Appropriations Act. It must reject the entire bill if it strongly disapproves. Yet on this occasion we are again asked to accept several dollar items.

In 1969 we had 12 legislative items of a dollar nature. The other House sought an explanation in detail which was given to them, but never does the government condescend to give an explanation to this House. I do not want to complain merely because of that fact, but this is supposed to be a government that deals openly. Open government, Mr. Speaker? It hides on all occasions, and this is a classic example of its attempts to dissimulate. No one who is supposed to be a commentator on the scene noticed that the interim arrangements for the province of Quebec under this Act were being extended two years. No one noticed it, and there are others equally hidden.

There are other examples. Your Honour will recall that in the session of 1964-65 the then Leader of the Opposition, the right hon. member for Prince Albert (Mr. Diefenbaker), held up the proceedings of the House, supported by the opposition, with regard to three dollar items which were then withdrawn by the then President of the Treasury Board. They involved the establishment of educational television and other items of legislative import, but they were withdrawn. We object to what is being attempted at this time by the government.

Not only is there the question of the statement made by Your Honour at the time the appropriation bill is presented in the other place or the statements which are made in reporting back to this House; I suggest that even the wording that is used by Your Honour when these estimates are tabled is in effect a misrepresentation of the true facts. We are asked to accept some estimates

proposed by His Excellency for the purpose of spending certain moneys, but that is not so. There are also some legislative changes.

• (2:40 p.m.)

If Your Honour will refer to *Hansard* for March 3, 1969, you will see what was said on that occasion by members of the opposition and by the President of the Treasury Board. His justification was merely that it was more expeditious to do it this way. More expeditious for the government!

Let us look at these interim financing arrangements with the provinces. Is it done this way because the government does not want a debate? It could happen that its majority in the Miscellaneous Estimates Committee would not even ask a blessed question about it, not one; nobody must rock the boat by asking questions about government practices and policy.

So this is the method chosen—a tame committee with a tame committee report. Then it might be up to the House to take out of that report the portions dealing with the question of amendments to veterans legislation and the interim arrangements with the provinces regarding these programs and make them a subject for discussion. There is absolutely no way in which the legislation itself can be considered as such. The President of the Privy Council says "Nonsense". I repeat there is no way in which the legislation can be considered as legislation and, of course, I know he is such a good legal draftsman that he would, out of a vote in the estimates, determine how revised statutes should be written. Statutes are passed and they are the source of what goes into the revision of statutes. It is not estimates.

I trust that you, Mr. Speaker, will also take to heart the representations which the hon. member for Winnipeg North Centre and I have made with regard to the nature of these estimates, their presentation and their acceptability. Are they in essence what they appear to be? I put it to Your Honour that they are not what they appear to be—they are not part of spending programs, they are requests for the changing of legislation. Surely an item of one dollar does not really represent a change in a spending program.

Some hon. Members: Hear, hear!

Hon. C. M. Drury (President of Treasury Board): At least two points have been made in the current discussion, Mr. Speaker. One is that we have changed our rules and that in consequence we should look at past practices in a new light. The other is that past practices, even under the old rules, were perhaps incorrect.

With respect to this process of securing authority to act in a certain way by means of an Appropriation Act rather than through specific bills, I would point out that it has been the practice for a long while to use estimates and supplementary estimates leading to Appropriation Acts as a means of effecting changes in legislative enactments, and it has been well recognized, I believe, that this is an appropriate and satisfactory way in which to proceed. In the past it has not denied to members of the House an opportunity to examine, to cross-examine, to criticize and, where appropriate, to see that changes are effected. This has led to the practice of introducing dollar items in supplementary estimates over a long period.

Mr. Baldwin: Bank robbery is bad.

Mr. Drury: For some time it has been agreed that these dollar items should be limited to using the Appropriation Acts to amend other legislative enactments in the following cases:

1. To alter financial limitations imposed by legislation or by previous estimates. As an example, I might quote an increase in the maximum amount which may be loaned by CMHC for housing purposes.

2. To alter time limitations imposed by legislation or by previous estimates. An example of this was the change in the termination date of the trans-Canada highway program.

3. To extend the application of legislation to persons not covered by the legislation so as to authorize the making of payments to such persons in accordance with the substance and purposes of the legislation—for example, authority to make payments under the Government Employees Compensation Act to former employees of Dosco suffering from silicosis.

4. To amend legislation originally approved through items in the estimates or the Appropriation Acts. For example, broadening the scope of a revolving fund, itself established by an Appropriation Act.

5. To effect transfers of available funds to votes where additional funds are required.

The hon. member for Winnipeg North Centre indicated that these description's of appropriate dollar items have in the past been satisfactory and, if I gather this meaning correctly, that this is still the case under the present rules. What we are concerned about is the marginal case which may fall outside the particular headings I have just given. We should perhaps consider the question whether there is adequate opportunity for members of the House to scrutinize the legislative changes which are being proposed, not by way of four separate bills, each having to make its own progress through the House, but by way of a single legislative enactment, namely, an Appropriation Act.

In the case of these amendments, we are not amending anything except schedules or termination dates of other statutes. We are amending the termination dates or rates of emolument contained in schedules. I suggest this clearly falls within the definitions I have given earlier of items which may properly be the subject of changes in legislation by means of an amendment to an Appropriation Act.

In this particular case, the change in program was announced by the Minister of Veterans Affairs in and to the House on December 2 last in a statement on motions. Not only did this draw attention to the government's intention but it provided an opportunity for brief com-

ments to be made by hon. members or, at least, by spokesmen for each of the opposition parties. Advantage was of course taken of the occasion.

In the second place, we are now submitting these supplementary estimates regarding the particular matters under discussion to a standing committee of the House which is concerned with this particular subject. I suggest that by comparison with some of the proceedings in the Committee of the Whole in the past there is a much better opportunity provided to hon. members by way of reference to the standing committee of the House, under these arrangements, to examine, to criticize and to express views as to particular changes proposed in statutes.

Mr. Lambert (Edmonton West): That is our decision to make.

Mr. Drury: I suggest it is a decision for the House to make, and the House has already made it.

• (2:50 p.m.)

It may not suit the convenience of the hon. member.

Mr. Lambert (Edmonton West): When did the House make it?

Mr. Drury: I think the House made it, for example, by adopting a number of Appropriation Acts in the past. I hope it will reaffirm this by the adoption of the Appropriation Act in question. In anticipation of abolishing the committee of supply, explicit provision was made for opposition days during which only opposition members were free to raise in the House any question that in their view warranted or commanded public discussion.

In relation to this particular item we now have before us, before the end of the current fiscal year I understand there are a number of supply days left on which, in addition to the fullest discussion in the Standing Committee on Veterans Affairs, hon. members of the opposition, if they wish, may raise this issue and have it debated on the floor of this Chamber.

Mr. Lambert (Edmonton West): Mainly with no decision.

Mr. Drury: The hon. gentleman complains about the lack of decision. This is a view with which I am unfortunately in agreement. One of our main problems is bringing the House to a decision on urgent matters.

Mr. Lambert (Edmonton West): That is much better than having the government do so.

Mr. Drury: There has been too much lack of decision on the part of the House. In relation to this particular problem, and I think we are dealing with what is a marginal matter, I point out with regard to the schedules in the Pension Act that changes have been made by way of the Appropriation Acts in the years 1964, 1966 and 1968. Changes in the schedules to the War Veterans Allowance Act have been made by way of the Appropriation Acts in 1964 and 1966. This is not something new.

Mr. Knowles (Winnipeg North Centre): But we have changed the rules since then.

Mr. Drury: I agree with the hon. member for Winnipeg North Centre that we have changed the rules since the earlier cases. I suggest that by reason of the provision of supply days, which allow many occasions for discussion of these items at the opposition's choice on the floor of the House, with examination in detail of witnesses in standing committees of the House, we have really provided a more factual and deeper examination with less opportunity to conceal, if that is anybody's desire, than was the case.

Mr. Knowles (Winnipeg North Centre): You said it.

Mr. Drury: When supply was considered by the committee of supply, in what I think most hon. members would agree was too short a time for too big a subject, there was not the same opportunity for examination. I suggest that this particular reference to the Standing Committee on Veterans Affairs is entirely appropriate, and that the items as shown in the supplementary estimates are in order.

Mr. Speaker: The hon. member for Winnipeg North Centre, supported by the hon. member for Edmonton West, has brought up a most interesting and important point of order. I will wait until I have had an opportunity to study the arguments put forward by the hon. members and by the hon. minister before indicating to the House, in due course, my own views regarding the matter.

* * *

SPORT

WINNING OF CANADIAN CURLING CHAMPIONSHIP BY MANITOBA RINK

Mr. Robert Simpson (Churchill): Mr. Speaker, at this time I should like to extend my congratulations, and I am sure the congratulations of all hon. members of the House, to the Don Duguid rink of Winnipeg on their accomplishment in winning for the second year in a row the Macdonald Briar tankard, emblematic of Canadian curling supremacy.

Some hon. Members: Hear, hear!

Mr. Simpson: I am sure that the best wishes of all members go with Don Duguid, Rod Hunter, Jim Pettapiece and Bryan Wood when they represent Canada next week at the world curling championship in France.

Some hon. Members: Hear, hear!

Mr. Speaker: I am not sure that this is a question of privilege, but it is a very interesting change of pace.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

EMPLOYMENT OF FORMER MEMBERS OF CYC IN PRIME MINISTER'S OFFICE

Question No. 521—**Mr. Godin:**

Are any former members of the Company of Young Canadians on the staff of the Prime Minister's office and, if so (a) what are their names (b) in what parts of the country have they worked as members of CYC?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): There are no former members of the Company of Young Canadians on the staff of the Prime Minister's Office (a) and (b) are therefore not applicable.

ESTABLISHMENT OF CARRAGEEN EXTRACTION PLANT IN P.E.I.

Question No. 616—**Mr. Macquarrie:**

1. Is the Department of Regional Economic Expansion and/or any other government department investigating the feasibility of establishing a carageen extraction plant in Prince Edward Island as suggested by the hon. Member for Cardigan on October 15, 1970?

2. What is the estimated cost of such a plant?

3. Has the Government of Prince Edward Island requested the construction of such a plant?

4. For each of the past ten years, what was the amount and dollar value of the Irish moss harvested in each of the Atlantic Provinces?

5. What proportion was shipped to (a) Denmark (b) United States for extraction of carageen?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Regional Economic Expansion, the Department of Fisheries and Forestry and the Dominion Bureau of Statistics as follows: 1. The Department of Regional Economic Expansion has agreed to pay 75 per cent of the cost of a study by the province.

2. Unconfirmed estimates have indicated costs up to $4,000,000 depending on capacity of facility.

3. No.

4. The amount and value of Irish moss harvested in each of the Atlantic Provinces for the years 1960 to

1969 inclusive as reported by the Dominion Bureau of Statistics, is as follows:

Amount ('000 lbs. wet weight)	Newfoundland	Prince Edward Island	New Brunswick	Nova Scotia	Total
1960	—	12,498	9	15,432	27,939
1961	—	19,039	307	20,608	39,954
1962	—	17,341	874	25,281	43,496
1963	—	10,559	109	26,187	36,855
1964	—	7,124	432	20,651	28,207
1965	—	17,139	—	22,152	39,291
1966	—	24,464	949	25,596	51,009
1967	—	47,926	1,142	30,262	79,330
1968	—	53,656	1,244	32,149	87,049
1969	267	51,789	3,756	40,851	96,653

Value to harvesters ($'000)	Newfoundland	Prince Edward Island	New Brunswick	Nova Scotia	Total
1960	—	162	(1)	211	373
1961	—	316	5	460	781
1962	—	288	14	481	783
1963	—	163	1	468	632
1964	—	109	6	360	475
1965	—	258	—	346	604
1966	—	402	14	556	972
1967	—	1,216	25	1,062	2,303
1968	—	1,168	27	1,081	2,276
1969	10	1,209	99	1,438	2,756

(1) Less than $500

5. EXPORT OF IRISH MOSS, SEA GRASSES, PLANTS, N.E.S.

Year	Quantity '000 Lbs. (dry)	(a) Value $000	Quantity '000 Lbs. (dry)	(b) Value $000
1965	3,063	289	6,245	681
1966	6,903	634	7,252	793
1967	4,560	602	9,066	1,270
1968	6,970	979	11,384	1,619
1969	6,936	1,032	10,857	1,626

NUMBER OF WORK DAYS LOST IN 1968, 1969 AND 1970

Question No. 681—**Mr. Orlikow:**

How many days of work were lost in each of the past three years as a result of (a) strikes (b) unemployment (c) illness and/or accidents?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Labour and the Dominion Bureau of Statistics as follows:

		Federal Jurisdiction	Provincial Jurisdiction	Total
(a)	1968	498,960	4,583,770	5,082,730
	1969	472,960	7,584,100	8,057,060
	1970 (Prel.)	345,740	7,458,740	7,804,480

(b) This information is not available.

(c) Officials of the Department of Labour have participated with those of other interested departments in

an endeavour to improve statistical data on industrial accidents, but to this time technical problems have prevented the development of a series that would include reliable data on working time lost.

FREDERICTON AIRPORT

Question No. 704—**Mr. MacRae:**

With respect to the answer to Question Number 203, given at page 2251 of *Hansard* January 11, 1971, what is the nature of the continuing reviews and how do they differ from a survey?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The response to Question 203 of October 20, 1970, referred to technical investigations, feasibility and costing of aerodrome works. In this context, a recent request by Air Canada for consideration of runway extensions at Fredericton for their DC9 aircraft after 1972 are now being evaluated. The continuing reviews referred to in the response are studies undertaken to assess the desirability or necessity of developing facilities to meet changing requirements of civil aviation in Canada.

PUBLIC SERVICE—REQUIRED INDICATION OF SEPARATISTS

Question No. 716—**Mr. Robinson:**

Will the government require all federal civil servants to indicate whether they are separatists or not?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): No.

INCENTIVE GRANTS

Question No. 736—**Mr. Osler:**

1. Will the government pay agreed-upon area incentive grants to plants that go into receivership before these grants have been fully earned and on what criteria will such decision be based upon?

2. Will the government insist upon proof that all outlays for equipment and services, made or on behalf of Churchill Forest Industries and other related companies, were normal and competitive?

3. Before approving payment of incentive grants, will the government satisfy itself that adequate pollution controls have been embodied in the plants making-up the new complex at The Pas, Manitoba?

4. Has the Government of Manitoba requested any extension of the payments deadline, presently April 1, 1971, for grants to Churchill Forest Industries and related companies?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. No, because the grants are earned by putting the plants into commercial production. But if that and other legislative requirements are met, the grants will be paid whether or not the plants are in receivership.

2. Yes, to the extent that the amounts of the grants are affected.

[Mr. Jerome.]

3. No, because there is no authority to impose this condition under the relevant legislation (which is not the legislation that now applies to new cases).

4. No.

DEPARTMENT OF SECRETARY OF STATE—EMPLOYMENT OF MR. PATRICK WATSON

Question No. 744—**Mr. Orlikow:**

1. Has the Secretary of State or the Minister responsible for Information Canada, or Information Canada itself, engaged the services of Mr. Patrick Watson, known as a former producer-performer of the CBC program "Seven Days" and, if so, for what reason?

2. What are the terms or the specifications of the arrangement, including length, fees, expense arrangements and services provided to Mr. Watson?

Hon. Robert Stanbury (Minister without Portfolio): 1. The Department of the Secretary of State has contracted with Patrick Watson Enterprises Limited to assist in developing programs to facilitate citizen participation.

2. The contract is for the period of January 6 to March 9, 1971, at a fee of $481 per week plus travel expenses up to a maximum of $670 for this period. Office space and secretarial service is also provided.

WHEAT—TWO-PRICE SYSTEM

Question No. 772—**Mr. Southam:**

1. Is the government giving consideration to establish a domestic two-price system for wheat in Canada and, if so, when will a decision be made to that effect?

2. In the event a two-price system for wheat is established, will the consumer be called on to pay the cost?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. A two price system for wheat has been in effect since August 1, 1969. Since then the selling price established by the Government for wheat used for human consumption in Canada has been $1.95½ per bushel basis No. 1 Northern in store Thunder Bay or Vancouver. If changes are made in the established selling price by the Government the House will be advised.

2. The price of products derived from wheat is not controlled by the Government and it is likely that any increase in the cost of wheat and other production and distribution factors is passed on to the consumer.

WHEAT—SYSTEM OF CHECK-OFF FROM GRAIN SALES TO CREATE FUND FOR RESEARCH

Question No. 774—**Mr. Southam:**

Is it the intention of the government to institute a system of check-off from grain sales and oil seeds to create a fund for market research and development as suggested by the delegates to the recently-held western agricultural conference?

Hon. Otto E. Lang (Minister Responsible for the Canadian Wheat Board): The Government is giving serious consideration to providing a method to permit such a check-off if it is supported by individual producers.

WHEAT—PLEBISCITE TO DETERMINE MARKETING SYSTEMS

Question No. 775—**Mr. Southam:**

Is it the government's intention to sponsor a plebiscite among farmers in the Wheat Board area to determine whether rye, flax and rapeseed should be brought under the complete jurisdiction of the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Work is continuing on the merits of different marketing systems but no decision on a plebiscite has been taken.

PRAIRIE GRAIN POLICY PROPOSALS

Question No. 778—**Mr. Southam:**

Is it the intention of the government to drop the proposal that would have made losses on sales pools recoverable from future pools as outlined in the Production and Grain Receipts Policy for the Western Grains Industry on October 29, 1970?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Discussions on this and many other aspects of the Prairie Grains policy proposals are continuing. Conclusions will be reached soon and announced at that time.

DISTRIBUTION OF PUBLIC SERVICE COMMISSION "FRANCOPHONE MEMORANDUM"

Question No. 797—**Mr. Nesbitt:**

1. What Members of the Cabinet received a copy of the memorandum issued by the Public Service Commission and known as the "Francophone Memorandum", in which it is proposed that $2 million be advanced for the hiring of 250 persons of French origin?

2. What Deputy Ministers or Heads of government departments received a copy of this memorandum?

3. Did the office of the Prime Minister receive a copy of this memorandum?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State of Canada): I am informed by the Public Service Commission as follows: 1. None.

2. None.

3. No.

[*English*]

EXTRAS, INSTALLATION FOR DATA PROCESSING, GOVERNMENT PRINTING BUREAU

Question No. 805—**Mr. Paproski:**

1. Under Contract No. 9C-00586, April 16, 1969—Installation for Data Processing, Government Printing Bureau, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Eight.

2. Net addition to the contract authorized by the Department was $3,664.76.

3. All changes resulted from unforeseen job conditions required to instal the specialized equipment.

EXTRAS, INSTALLATION OF AIR CONDITIONING SYSTEM, 588 BOOTH STREET

Question No. 806—**Mr. Paproski:**

1. Under Contract No. 8C-16099, March 19, 1969—Instal air conditioning system in basement, South Side, 588 Booth St., how many "extras" and change orders were authorized by the government?

2 What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Four.

2. Net addition to the contract authorized under Departmental Authority was $2,764.37.

3. Three Change Orders resulted from unforeseen job conditions and one Change Order resulted from a change in the Client Department's requirements after contract award.

EXTRAS, DBS COMPUTER ROOM

Question No. 807—**Mr. Paproski:**

1. Under Contract No. 8C-15984, February 26, 1969—Alterations to computer room Dominion Bureau of Statistics Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. None.

2 and 3. Not applicable.

EXTRAS, AIR CONDITIONING—KENT AND ALBERT BUILDING

Question No. 808—**Mr. Paproski:**

1. Under Contract No. 8C-16200, February 20, 1969—Install air conditioning unit and raised floor in computer room, Kent-Albert Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. None.

2 and 3. Not applicable.

Questions

EXTRAS, GENERAL ALTERATIONS—K. W. NEATBY BUILDING

Question No. 809—**Mr. Paproski:**

1. Under Contract No. 8C-09974, February 18, 1969—General alterations, K. W. Neatby Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Nine.

2. Net addition to contract authorized by the Department was $8,974.58.

3. One Change Order resulted from unforeseen job condition, six Change Orders resulted from revised client requirements and two involved requirements to meet fire regulations.

EXTRAS, ALTERATIONS, PHASE 2—NATIONAL MUSEUM OF SCIENCE AND TECHNOLOGY

Question No. 810—**Mr. Paproski:**

1. Under Contract No. 8C-09958, January 7, 1969—Alterations Phase 2, National Museum of Science and Technology, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Five.

2. Net addition to the contract authorized by the Department was $9,035.62.

3. Three Change Orders resulted from unforeseen job conditions and two Change Orders resulted from a change in client requirements after contract award.

EXTRAS, STANDARD LAB BUILDING, TUNNEY'S PASTURE

Question No. 811—**Mr. Paproski:**

1. Under Contract No. 8C-09940, November 29, 1968—Alterations in basement, Standard Lab Building, Tunney's Pasture, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3 What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Five.

2. Net addition to the contract authorized by the Department was $1,746.

3. Two Change Orders resulted from unforeseen job conditions, one Change Order resulted from a change in Client requirements, one Change Order was undertaken to meet fire regulations and one Change Order was required as a result of actual rock conditions differing from those shown on the contract documents.

[Mr. Laing.]

EXTRAS, EXTENSION OF HEATING MAINS FROM C.H. PLANT, CLIFF STREET TO LORNE BUILDING

Question No. 812—**Mr. Paproski:**

1. Under Contract No. 8C-09900, October 2[8], 1968—Extend heating and cooling mains from C.H. Plant, Cliff St. to Lorne Building and Cartier Square, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Twenty.

2. Net addition to the contract authorized by the Department was $72,991.91.

3. Two Change Orders resulted from additional work requested by the clients involved, two changes were undertaken to comply with outside agency construction and safety codes, one change resulted from poor soil conditions necessitating a change in the foundation to support the heating and cooling piping and fifteen changes resulted from rerouting of the piping to bypass existing services (gas, hydro, water, etc.) the location of which could not be accurately determined prior to excavation.

EXTRAS—LAND DRAINAGE AND CULVERT INSTALLATION, GREENBELT FARM

Question No. 813—**Mr. Paproski:**

1. Under Contract No. 8C-09236, October 25, 1968—Land drainage and culvert installation, Greenbelt Farm, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Three.

2. Net addition to the contract authorized by the Department was $17,417.18.

3. Two Change Orders resulted from unforeseen job conditions and one Change Order resulted from the client department's request after contract award that excavated material was to be hauled to specific waste areas.

EXTRAS, DRAFT PROOFING, BROOKE CLAXTON BUILDING

Question No. 814—**Mr. Paproski:**

1. Under Contract No. 8C-09942, October 24, 1968—Draftproofing, Brooke Claxton Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. None.

2 and 3. Not applicable.

EXTRAS, ALTERATIONS NO. 3 TEMPORARY BUILDING

Question No. 815—**Mr. Paproski:**

1. Under Contract No. 8C-08565, October 24, 1968—Alterations various areas, No. 3, Temporary Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. One.

2. $589. authorized by the Department.

3. Client Department requested additional painting.

EXTRAS, EAST DAM RIDEAU FALLS

Question No. 816—**Mr. Paproski:**

1. Under Contract No. 8C-07387, October 18, 1968—Reconstruct East Dam Rideau Falls, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Five change orders.

2. A total of $62,020.11, authorization by National Capital Commission.

3. Dewatering the structure exposed additional deteriorated portions of concrete in piers and apron which necessitated substitutions, deletions and additions to the work.

EXTRAS, ALTERATIONS, PESTICIDE LAB., C.E. FARM

Question No. 817—**Mr. Paproski:**

1. Under Contract No. 8C-07033, September 19, 1968—Alterations, Pesticide Lab., C.E. Farm, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Three.

2. Net addition to the contract authorized by the Department was $1,393.13.

3. One Change Order resulted from unforeseen job conditions and two Change Orders resulted from changes in requirements subsequent to contract award.

EXTRAS, UNDERPASS DRAINAGE AVE. "C", GREENBELT FARM

Question No. 818—**Mr. Paproski:**

1. Under Contract No. 8C-06966, September 10, 1968—Underpass drainage at extension of Ave. "C", Greenbelt Farm, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Eight.

2. Net addition to the contract authorized by the Department was $7,997.77.

3. During construction eight additional items of work were carried out which were not directly associated with this project but were considered necessary for the over-all development of the Greenbelt area.

EXTRAS, VENTILATION SYSTEM, DVA BUILDING

Question No. 819—**Mr. Paproski:**

1. Under Contract No. 8C-03098, September 6, 1968—Provide cooling to basement and ground floor ventilation system, DVA Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Three.

2. Net addition to the contract authorized by the Department was $4,211.

3. All changes resulted from unforeseen job conditions required to instal the specialized equipment.

EXTRAS, ELECTRICAL SERVICES, TUNNEY'S PASTURE

Question No. 820—**Mr. Paproski:**

1. Under Contract No. 8C-04218, August 7, 1968—Electrical Services, Tunney's Pasture, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Two.

2. Net addition to the contract authorized by the Department was $11,282.43.

3. Two changes were required, one to comply with revised standards and the other to meet anticipated future requirements which were identified subsequent to contract award.

EXTRAS, BUILDING 9A, GREENBELT FARM

Question No. 821—**Mr. Paproski:**

1. Under Contract No. 8C-01650, June 26, 1968—Construct building 9A, Greenbelt Farm, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Nine.

Questions

2. Net addition to the contract authorized by the Department was $10,628.24.

3. Two Change Orders resulted from unforeseen job conditions, one Change Order was required to comply with the revised safety code and the remaining six resulted from changes in client department requirements during the construction period.

EXTRAS, POSTAL TERMINAL BUILDING

Question No. 822—**Mr. Paproski:**

1. Under Contract No. 8C-04326, June 10, 1968—Construct Postal Terminal Building, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. One hundred and one.

2. Net addition to the contract authorized by Treasury Board and the Department was $442,268.11.

3. Two Change Orders were necessary affecting the services to the building, eight Change Orders resulted from undetermined soil conditions requiring in most instances additional rock excavation, twenty-five Change Orders resulted from changes in Client requirements, fifteen Change Orders were required to comply with various outside agencies affecting standards, codes, fire and safety regulations and fifty-one were required as a result of unforeseen job conditions.

EXTRAS, AIR CONDITIONING POST OFFICE WORKSHOP

Question No. 823—**Mr. Paproski:**

1. Under Contract No. 8C-00749, May 31, 1968—Ventilation and Air conditioning in Post Office Workshop, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Thirteen.

2. Net addition to contract authorized by the Department was $6,660.42.

3. Two Change Orders resulted from revised Client requirements, one involved requirements to meet fire regulations and ten resulted from unforeseen job conditions required to instal the specialized equipment.

EXTRAS, C.H. PLANT CONFEDERATION HEIGHTS

Question No. 824—**Mr. Paproski:**

1. Under Contract No. 8C-06142, May 29, 1968—Convert C.H. Plant Confederation Heights, to gas, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

[Mr. Laing.]

Hon. Arthur Laing (Minister of Public Works): 1. None.

2 and 3. Not applicable.

EXTRAS, ELECTRIC SUB-STATION, GREENBELT FARM

Question No. 825—**Mr. Paproski:**

1. Under Contract 8C-00345, May 8, 1968—Construct electric sub-station and distribution system, Greenbelt Farm, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Eight.

2. Net addition to contract authorized by the Department was $8,331.28.

3. Five Change Orders resulted from unforeseen job conditions, two changes were required to comply with revised safety codes and one change resulted from changed requirements of the client department.

EXTRAS, CANADIAN FORCES DATA CENTRE, GOVERNMENT PRINTING BUREAU

Question No. 826—**Mr. Paproski:**

1. Under Contract No. 8C-00356, May 8, 1968—Alterations to Canadian Forces Data Centre, Government Printing Bureau, how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Two.

2. Net addition to the contract authorized by the Department was $880.46.

3. One Change Order resulted from a change in client requirement after contract award and one Change Order resulted from unforeseen job conditions.

EXTRAS, SANITARY SEWERS, CORKSTOWN ROAD

Question No. 827—**Mr. Paproski:**

1. Under Contract No. 8C-01580, May 28, 1968—Sanitary sewers, Corkstown Rd., how many "extras" and change orders were authorized by the government?

2. What was the amount and who gave the authorization?

3. What was the reason for the substitution, deletion or addition of the extras?

Hon. Arthur Laing (Minister of Public Works): 1. Four.

2. Net addition to the contract authorized by the Department was $14,519.40.

3. Three Change Orders were necessary as a result of unstable soil conditions and increased rock excavation and one Change Order was required to meet a request by National Capital Commission to erect a fence along the property line.

ST. LAWRENCE SEAWAY

Question No. 856—**Mr. Blouin:**

1. During 1970, what, in tons, was the total of goods passed through the St. Lawrence Seaway?

2. What types of goods were involved, i.e. tons of iron ore, wheat, heavy machinery or general goods?

3. What was the total revenue from user and lock fees in 1970?

4. What was the deficit for the same year?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows:

	Montreal Lake Ontario Section	Welland Section	Total
1. Total 1970 tonnage (millions)	51.1	62.1	
2. Commodities (millions tons)			
Bulk —Wheat	8.2	8.6	
Other grains	10.3	11.2	
Iron ore	15.1	15.9	
Coal	0.3	10.3	
Other bulk	10.7	10.3	
General—Iron and steel	4.0	3.7	
Other general	2.5	2.1	
	51.1	62.1	
3. Tolls and lockage charges (000's $)	$ 18,585	$ 3,533	$ 22,118
4. Estimated 1970 deficit (000's $)			
Operating (profit, loss)	$ (11,550)	$ 7,140	$ (4,410)
Interest	18,800	1,025	19,825
Estimated 1970 deficit	$ 7,250	$ 8,165	$ 15,415

CANADIAN COAST GUARD COLLEGE—CADET ALLOWANCES

Question No. 865—**Mr. Muir:**

1. Is the government giving consideration to increasing the allowances of the cadets attending the Canadian Coast Guard College at Point Edward, Nova Scotia and, if so, what is the amount the cadets presently receive and what is the proposed increase?

2. What is the present arrangement regarding the expenses of cadets attending the Canadian Coast Guard College and are there to be any changes in the present system and, if so, what are these changes?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The allowances which cadets attending the Canadian Coast Guard College receive are subject to negotiation and are fixed by the collective agreement between Treasury Board and the bargaining agent for Government Ships Officers (Canadian Merchant Service Guild). Present allowances: 1st year cadets, $80 monthly; 2nd year cadets, $90 monthly; 3rd year cadets, $105 monthly; 4th year cadets, $125 monthly. A new collective agreement is now being negotiated, consequently, it will not be possible to make any announcement concerning allowances until the new agreement is signed.

2. Once a year all cadets receive free return travel less the first $25 between the college and their homes. All travel expenses, in accordance with the travel regulations, are paid for cadets when joining and leaving ships during the sea training phase of their training. Being negotiable, it is also not possible to make any announcement about expenses at present concerning changes that may be negotiated in the new agreement.

GAME SANCTUARIES

Question No. 868—**Mr. Robinson:**

How many game sanctuaries are there in Canada (a) where is each located (b) what is the size of each (c) what type of game is protected in each (d) how much is the cost to the federal government to maintain each sanctuary?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): There are Seven. (a) Northwest Territories: Thelon Game Sanctuary, Twin Islands Game Sanctuary, Bowman Bay Game Sanctuary and Mackenzie Bison Sanctuary. Yukon Territory: McArthur Game Sanctuary, Kluane Game Sanctuary and Pine Creek Game Sanctuary.

(b) Thelon, 20,200 square miles; Bowman Bay, 700 square miles; Twin Islands, 100 square miles; Mackenzie Bison, 7,000 square miles; McArthur, 204 square miles; Kluane, 10,030 square miles; and Pine Creek, nine square miles.

(c) Thelon Game Sanctuary, musk-ox; Twin Islands Game Sanctuary, polar bear; Bowman Bay Game Sanctuary, blue goose; Mackenzie Bison Sanctuary, wood bison; McArthur Game Sanctuary, Kluane Game Sanctuary and Pine Creek Game Sanctuary complete protection of all game in the area.

(d) All the above noted game sanctuaries are established by Territorial Ordinances and any costs are charged against the two Territorial Governments and not against the federal government. Direct federal costs are nil. Game sanctuaries in Canada are either under provincial jurisdiction or are controlled by private citizens.

SNOWMOBILES—MOTOR VEHICLE SAFETY STANDARDS

Question No. 869—**Mr. Robinson:**

Will the government consider the requirement of safety features for snowmobiles and other such motor equipment as is required for motor vehicles?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Ten safety standards for snowmobiles have been published in Part II of the *Canada Gazette* of November 25, 1970. Some of these standards have come into effect on January 1, 1971, and others will come into effect on April 1, 1971, and February 1, 1972. Improvements, refinements and additional standards are being considered.

Questions

POST OFFICE—COST OF EQUIPMENT TO BE USED IN PREPARATION OF MONEY ORDERS

Question No. 903—**Mr. Peddle:**

1. What was the total cost of the recently completed program of providing special equipment to post offices in Canada to be used in the preparation of money orders?

2. Who was the supplier of this equipment?

3. Were tenders called?

Hon. Jean-Pierre Côté (Minister without Portfolio): 1. Total equipment purchases amounted to $2,493,870 including $1,400,175 for imprinters provided to Post Offices.

2. Imprinters were supplied by Addressograph-Multigraph of Canada Ltd.

3. Yes.

*PENSIONS, ALLOWANCES AND HEALTH SERVICES TO FOREIGN VETERANS NOW RESIDING IN CANADA

Question No. 905—**Mr. Caouette:**

How many foreign veterans, who served in their own country's army during (a) World War I (b) World War II (c) the Korean War, and now reside in Canada, benefit from (i) a pension from Canada (ii) a war veteran's allowance (iii) a pension in respect of disability attributable to service, or (iv) medical care and hospital services?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, due to the length of the answer, if the House agrees, I would suggest that it be considered as read and recorded in *Hansard.*

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The abovementioned answer reads as follows:*]

Mr. Béchard: I am informed by the Department of National Health and Welfare and the Department of Veterans Affairs as follows: (a)(i) Records in the Department of National Health and Welfare are not maintained in such a manner that the required information is readily available. (ii) 4,992. (iii) None. (iv) Statistics are not maintained in the Department of Veterans Affairs to disclose the number of foreign veterans provided with this service.

(b) (i) See (a) (i) above. (ii) 1,044. (iii) None. (iv) See (a) (iv) above.

(c) (i) See (a) (i) above. (ii) None. (iii) None. (iv) See (a) (iv) above.

Note 1—In addition to (a) (ii) and (b) (ii), there are 30 foreign veterans with Dual Service (World War I and World War II) who benefit from war veterans allowance.

Note 2—The figures shown in (a) (ii), (b) (ii) and in Note 1 include approximately 250 foreign veterans who reside outside Canada and for whom a breakdown by war of service is not available.

[*English*]

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 928—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Regional Economic Expansion is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): (a) Nil; (b) 100 per cent; (c) nil; (d) nil; (e) nil; (f) nil.

DEPARTMENT OF LABOUR—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 945—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Labour is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Hon. Bryce Mackasey (Minister of Labour): 100 per cent of the Supplementary Estimates of the Department of Labour are designated for new programs.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 956—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Energy, Mines and Resources is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Hon. J. J. Greene (Minister of Energy, Mines and Resources):

	Supplementary Estimates for Loans, Investments and Advances	Supplementary Estimates for Budgetary Expenditures
(a)	nil	nil
(b)	"	100 per cent
(c)	"	nil
(d)	"	"
(e)	"	"
(f)	"	65 per cent

DEPARTMENT OF VETERANS AFFAIRS—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 957—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Veterans Affairs is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): (a), (c), (d), (e), (f) Nil. (b) 100 per cent.

MANPOWER—AMOUNTS PAID TO PERSONS ENROLLED IN TRAINING COURSES

Question No. 961—**Mr. Rodrigue:**

1. What amounts are being paid to persons enrolled in training courses sponsored by the Department of Manpower and Immigration in (a) Quebec (b) Ontario?

2. Do the amounts vary from one area to another and, if so, for what reason?

[Translation]

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Trainees who qualify for training allowances are paid at the following rates:

Province of residence	without dependents	who has only one dependent	who has only two dependents	who has only three dependents	who has four or more dependents	Additional allowance payable to an adult who must live away from home while taking training.
	(dollars)	(dollars)	(dollars)	(dollars)	(dollars)	(dollars)
a)						
Region 1						
Quebec, Lower St. Lawrence and Gaspésie	43	49	54	59	65	23
Region 2						
Saguenay, Lake St. John	43	51	59	67	73	23
Region 3						
Quebec	43	50	57	63	69	23
Region 4						
Trois-Rivières	43	50	57	63	69	23
Region 5						
Eastern Townships	43	50	57	63	69	23
Region 6						
Montreal	43	55	65	75	81	23
Region 7						
Ottawa	43	51	59	67	73	23
Region 8						
Northwestern	43	50	57	63	69	23
Region 9						
N. Shore	43	55	65	75	81	23
Region 10						
New Quebec	43	55	65	75	81	23
b) Ontario	43	62	72	82	88	23

2. Within a province allowance rates apply uniformly except in the province of Quebec where different rates have been established for each of ten regions following consultation with the province.

[English]

NATIONAL DEFENCE—RECRUITING POLICY

Question No. 977—**Mr. Forrestall:**

1. Does the Department of National Defence now restrict the number of recruits accepted into the Canadian Armed Forces on a provincial or regional basis and, if not, is consideration being given to such a procedure?

2. If restrictions by provinces and regions are being considered, what is the total allowable number for each province or region and, if not already in practice, when will such policy be implemented?

3. By month, what has been the number of recruits by province or region up to and including January, 1971 for each of the past 13 months?

Hon. Donald S. Macdonald (Minister of National Defence): 1 and 2. Annual quotas for the recruitment of men into the Canadian Forces are determined on the basis of projections of the manpower requirements on a trade-by-trade basis within the manpower ceilings. Monthly quotas to be used as guides in meeting recruiting requirements are distributed amongst 15 Canadian Forces Recruiting and Selection Units. Based upon population and past recruitment statistics the monthly recruiting target has resulted in the following approximate percentages being used as a general guide for the five military regions in Canada. Maritimes, 20 per cent; Quebec, 30 per cent; Central, 24 per cent; Prairies, 16 per cent; British Columbia, 10 per cent.

3.

	Maritimes	Quebec	Central	Prairies	British Columbia
Jan. 70	94	134	134	108	48
Feb.	78	82	119	63	41
March	75	84	122	93	30
April	94	150	137	110	37
May	75	132	124	76	37
June	58	131	119	76	36
July	80	212	126	73	43
Aug.	78	116	97	97	47
Sept	93	131	172	123	46
Oct.	99	215	165	86	39
Nov.	82	141	151	88	50
Dec.	67	162	134	67	44
Jan. 71	95	162	159	98	29

Inquiries of the Ministry

FARM CREDIT CORPORATION—ARREARS OF SCHEDULED REPAYMENTS

Question No. 1006—**Mr. Thomson:**

What percentage of scheduled repayments to the Farm Credit Corporation were in arrears from farmers in (a) 1967 (b) 1968 (c) 1969 (d) 1970?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises that as of the end of the fiscal year the amount remaining in arrears as a percentage of the amount due during the year was as follows: (a) 1966-67, 6.1 per cent; (b) 1967-68, 6.7 per cent; (c) 1968-69, 8.4 per cent; (d) 1969-70, 12.4 per cent.

YELLOWKNIFE, N.W.T.—CONSTRUCTION OF ARMED FORCES HEADQUARTERS

Question No. 1009—**Mr. Nielsen:**

1. With respect to the tenders called by Defence Construction (1951) Limited for the construction of a new Armed Forces Headquarters building at Yellowknife (a) what persons, firms or corporations submitted tenders (b) what was the amount of each such tender?

2. Has the contract yet been awarded for the construction and, if so, to what person, firm or corporation was the contract so awarded?

3 What is the intended date of the commencement of construction and completion of the project?

Hon. Donald S. Macdonald (Minister of National Defence): 1. (a) Mod Industries Ltd., Box 877, Langley, B.C.; (b) $276,989.

2. Yes, to Mod Industries Ltd.

3. Construction commenced October 2, 1970 and is scheduled to complete June 15, 1971.

ORAL QUESTION PERIOD

YOUTH

STUDENT SUMMER EMPLOYMENT—MINISTERIAL RESPONSIBILITY FOR PROGRAM—EARLY ANNOUNCEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether there is a minister in charge of developing a program for this summer in connection with students?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, my answer is that the cabinet is involved in constructing this program. I think it is substantially completed and I would expect an announcement in full of our intentions to be made in a very short period of time.

Mr. Stanfield: Mr. Speaker, in view of the lecture we had earlier this afternoon from the President of the Treasury Board about the importance of decisions, and since the vacation season for students will soon be here, in spite of all the snow we see around us, may we have a decision without further delay in order that any program the government proposes will have some possibility of being of some assistance to the students affected?

Mr. Laing: Mr. Speaker, I am quite sure I can give an assurance to the Leader of the Opposition that our action will be announced in ample time to take care of the students who leave university after May 15, I believe.

Mr. Stanfield: Oh, come on; where do you live?

Mr. Laing: Well, probably we study harder in the province of British Columbia,—

Mr. Baldwin: And there is more need to do so.

Mr. Laing: —but that is when they leave university, and then there are those students who get out of high school on June 30.

[*Translation*]

CANCELLATION OF CONFERENCE SPONSORED BY CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to put a supplementary question to the hon. Secretary of State.

In view of the questions which were directed to the Acting Prime Minister last Friday, could the Secretary of State tell us why the government has decided not to participate in the conference sponsored by the Canadian Council on Social Development?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I could not tell the hon. member which reason was determinant. Among others, I know that there was a problem of dates for this conference. I am aware also that other considerations were involved. It shall please me very much to summarize them for the information of the hon. member, as soon as I can, but I understand that in the end there is no more talk of participating in this conference, because it will not take place.

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the considerable concern voiced last week about the cancellation of this important conference on transient youth and summer employment for students, which was to involve not only federal but also provincial representation, I wonder if the Secretary of State would indicate whether at the planning stage this conference was not delayed by at least a month at the request of the federal government?

[*Translation*]

Mr. Pelletier: Mr. Speaker, as I have said before, there were major considerations, particularly conflicting dates. Last Thursday the Acting Prime Minister stated that we could not announce the particulars of the program because consultations were taking place with the provinces and these had to come to an end before any official statement was made. The same difficulty would have come up if the conference had been held; the organizers would have invited representatives of the federal govern-

ment precisely to discuss with them the latter's projects, which could not have been revealed at the time the conference was held, as the federal-provincial consultations were still in progress. I am sure the hon. member cannot feel that, in a field such as young people's activities and student employment, we can neglect the position of the provinces which is an aspect of paramount importance in such an area.

[*English*]

Mr. MacDonald (Egmont): Since the Secretary of State has indicated the government had no plans and therefore could not discuss them at this important meeting, did the government give consideration to the possibility of asking for a further delay or of indicating in any way its reasons for not participating in this conference, apart from the reason advanced by the minister that there had not been direct federal-provincial consultation, because it is the understanding, I think, that all provinces had expressed an interest in participating in this conference?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I have never said that the government did not have any plans. I said the government's projects were ready; the Acting Prime Minister said so last Thursday; he gave general indications to the effect that the program was bigger and better, I believe. It will be better organized and more efficient than last year's. But what I said, and repeat here, is that considerations of time, that is the need to consult the provinces, have kept us from meeting the first date set for the conference, and in another connection, that the possibilities of consultation offered by that conference did not involve provincial governments but the delegates of private organizations, which would certainly not have been useless. But that is not the type of consultations we seek. The delay in announcing a policy is due to the necessity of holding consultations with the provincial authorities.

[*English*]

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS—CONSULTATION WITH PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State or the Acting Prime Minister when the federal government first started to consult the provinces about a specific program relating to students this summer?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I believe that I can give an answer and if my memory serves me well, the first discussions go back to the middle of February, or rather to the beginning of February.

[*English*]

Mr. Speaker: Order, please. There are three members waiting to ask supplementaries. I realize that the matter is important, but to some extent it seems to me the discussion is theoretical since we are dealing with a conference which I gather will not take place. Perhaps hon. members might like to go on to another subject. However, I know the matter is important and I believe the hon. member for Egmont has a supplementary.

Mr. MacDonald (Egmont): Yes, Mr. Speaker. May I say on the point of order before putting my supplementary that the importance of this question right now is that it raises basic questions about the possibility for citizen participation in a problem of tremendous importance—

Mr. Speaker: Order. That is not a point of order, and I did not raise a point of order. I just indicated that we should not have too many supplementaries on this subject. I always try to bring this to the attention of hon. members at the beginning of the question period because there is a temptation to spend too much time on the first question and then we could fall behind in our schedule. That is merely what I wanted to bring to the attention of hon. members but not by way of a point of order.

CANCELLATION OF CONFERENCE SPONSORED BY CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Mr. David MacDonald (Egmont): Mr. Speaker, would the Secretary of State indicate whether in the planning stages of this important conference the federal government did indicate that it would not likely participate in or support the conference in order that some kind of alternative plan could be made, rather than wait until almost the last moment to scuttle the conference?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, all I can say is that the responsible authorities in the department are studying with the Canadian Council on Social Development other projects in order to establish if the objectives of this conference could be promoted by different means in the near future.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to ask the Secretary of State whether or not he can give us some assurance that some type of conference will be held so that young people will be able to express their opinions and points of view?

[*Translation*]

Mr. Pelletier: This is exactly what I have just said, Mr. Speaker. My department is trying to make this kind of discussion possible, even after the failure of the conference.

[*English*]

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS—PLACE OF APPLICATION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is for the Acting Prime Minister. Can he inform the House at this time where students can apply to participate in the program the government is proposing for summer employment?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I take it the question was serious and I wish to make the same kind of answer. We have asked them to register with Manpower.

Inquiries of the Ministry

IMMIGRATION

ADVERTISING PROGRAM IN FOREIGN COUNTRIES—ADVICE ON CANADIAN EMPLOYMENT SITUATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. It arises out of the increasing number of reports that recent immigrants to this country are claiming they came here on the basis of advertisements and advice given to them at Canadian offices overseas indicating there would be ample job opportunities, that they now find themselves out of work and on welfare and that many of them are applying to go back to their own countries disillusioned and angry. Is the department continuing its advertising programs in other countries inviting people to come to this country, and are prospective immigrants being advised of the unemployment situation in Canada?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, as indicated in the House some days ago, the advertising of specific job opportunities was discontinued some months ago, although the general program indicating Canada as a place welcoming immigrants does continue. It is our attempt in every case to inform prospective immigrants of the exact situation in which they might find themselves in coming to Canada. Of course, we regret very much when people do arrive and feel they have not been properly informed about the situation. We make every effort to correct that and make sure they do understand. However, there is a significant time lag between the time they discuss these matters with our officers abroad and the time they are in Canada. This can sometimes explain a difference of view about the situation which exists here. Sometimes these conditions change very rapidly.

Mr. Douglas: I want to ask the minister why his department would have an advertisement, for instance, in the *Daily Express* of January 14 of this year, and also one in the *Daily Telegraph,* telling interested persons that Canada is a land of great economic growth, with a high standard of living and excellent opportunities, when at that particular time we had over 600,000 unemployed. Is there any liaison between the two branches under the minister's responsibility, manpower and immigration, to inform immigrants of the lack of suitable employment in Canada for a great many categories?

Mr. Lang: Of course there is liaison, and of course the remarks which the hon. member quoted about Canada being a land of opportunity, of promise and of growth represent something in which not only I believe but in which this government as well as most people in Canada believe.

Some hon. Members: Hear, hear!

Mr. Lang: As I indicated earlier, our campaign is directed to keeping the image of Canada before people because we have no doubt the economy will soon be such that we will welcome—

Mr. Speaker: Order, please.

[Mr. Laing.]

Mr. Douglas: I just want to ask the minister one question. Would he undertake that, in conveying the image of Canada to people who might consider coming to this country, he will give them the facts as well as the propaganda?

Mr. Speaker: Order, please.

* * *

[*Translation*]

NATIONAL SECURITY

WAR MEASURES ACT—COMPENSATION TO THOSE ARRESTED AND RELEASED WITHOUT CHARGE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I want to direct a question to the hon. Minister of Justice.

In the light of the statement made recently by Mr. Louis Marceau, the ombudsman for the province of Quebec, that he would recommend payment of indemnization for several persons arrested and detained under the War Measures Act, could the hon. minister tell us whether the cabinet has already looked into the question of indemnifying some of the persons held in jail?

Hon. John N. Turner (Minister of Justice and Attorney General): Mr. Speaker, I should think that the recommendations of the protector of the people, Mr. Louis Marceau, would be submitted to the Attorney General of Quebec.

[*English*]

Mr. David MacDonald (Egmont): Could the Minister of Justice indicate whether he or the Solicitor General has received a copy of the Marceau report, and whether any consideration has been given to participating in possible reparations to innocent persons who have suffered damages as a result either of the War Measures Act or the Public Order (Temporary Measures) Act?

Mr. Turner (Ottawa-Carleton): I will want to read a copy of that report.

DESTRUCTION OF PHOTOGRAPHS AND FINGERPRINTS OF PERSONS RELEASED WITHOUT CHARGE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Is the minister now able to answer a question that I have asked on numerous occasions, and to which allusion has been made by other hon. members, about the destruction of photographs and fingerprints? If not, could he not telephone the Minister of Justice of Quebec to get this matter cleared up?

Hon John N. Turner (Minister of Justice): I am afraid I have not yet received a reply from the Attorney General of Quebec.

An hon. Member: How long, oh Lord, how long?

Mr. Turner (Ottawa-Carleton): I intend to take up the question again.

REGIONAL ECONOMIC EXPANSION

INCENTIVE GRANT TO ATHABASCA FOREST INDUSTRIES LIMITED

Mr. A. C. Cadieu (Meadow Lake): My question is for the Minister of Regional Economic Expansion. Has the government agreed to provide a $12 million special area development incentive grant to Athabasca Forest Industries Limited and if so, when will these funds be made available?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are faced with an extremely important application which the department is studying. I cannot, at this point, say whether our response will be positive, or to what extent.

[*English*]

Mr. Cadieu: Is the government delaying a final decision because of representations by executives of other Canadian paper companies and, if not, will the minister make a statement to clarify where it now stands on this important loan?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, we will be considering all aspects of this application. I cannot at this time say what the response will be.

* * *

[*English*]

FINANCE

EFFECT OF UNPEGGED DOLLAR ON INDUSTRIES—DISCUSSION WITH QUEBEC AND OTHER PROVINCES

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Finance. Has the Minister of Finance had a meeting with Premier Bourassa, or has the premier of the province of Quebec requested a meeting to discuss, among other things, the effect that the continued unpegging of the Canadian dollar has had on major industries in Quebec? In addition, have there been any such observations or requests by premiers of other provinces?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

Mr. Lambert (Edmonton West): In the likely event that representations are made with regard to the impact on particular industries, has the government any plan to alleviate the heavy damage that has been suffered by certain industries?

Mr. Benson: I would say, without accepting the generality, that we are always willing to listen to people.

Mr. S. Perry Ryan (Spadina): In view of the uncertainty caused by the continuing rise in the value of the Canadian dollar, will the government make a statement

on its policy with regard to any further appreciation in the value of our dollar?

Mr. Benson: No, Mr. Speaker.

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REGIONAL ECONOMIC EXPANSION

PUBLICATION OF CORRESPONDENCE WITH BRITISH COLUMBIA ON DESIGNATED AREAS

Mr. Paul St. Pierre (Coast Chilcotin): My question is for the Minister of Regional Economic Expansion, and arises from the request of the British Columbia government that certain selective correspondence regarding special area designation in British Columbia be made public. Will the minister assure the House that all the correspondence in this matter between his department and the B.C. government will be made public?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, there is no reason whatever against publication of all the correspondence exchanged between the two governments, but we will follow the usual procedure whereby before releasing any document we solicit the consent of provincial authorities.

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[*English*]

FINANCE

EFFECTIVENESS OF LOANS AND GRANTS FOR WORKS PROJECTS—DISCUSSION WITH MUNICIPAL AUTHORITIES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of Finance. In light of complaints by the chairman of the Metropolitan Council of Toronto that federal loans and grants for works projects are so hedged about by conditions that they are useless and unacceptable, will the Minister of Finance consult with Mr. Campbell and other municipal authorities with a view to making these federal loans and grants effective in promoting employment which is so urgently needed?

Hon. E. J. Benson (Minister of Finance): We have made the funds available and many of the provinces have taken advantage of them. I understand that the Ontario government, after the difficulties they have had in deciding who is going to lead the party, is finally coming forward and requesting funds. The process is a very simple one. We want to make sure that these funds go into useful capital works which will provide employment.

Mr. Bell: You haven't even got a party in Ontario.

Mr. Brewin: My supplementary question is a repetition of the first question which the minister did not answer. Will he consult with the chairman of the Metropolitan Toronto Council on how to make these loans and grants effective?

Mr. Benson: If the chairman of the Metropolitan Toronto Council wants to come and see me, I will be glad to see him any time.

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OIL

TAPS PROJECT—MACKENZIE VALLEY ROUTE—STUDY OF ECOLOGICAL AND ECONOMIC EFFECTS

Mr. Louis-Roland Comeau (South Western Nova): My question is for the Acting Prime Minister who is also the senior cabinet minister from British Columbia. Will the government institute an interdepartmental study of the ecological and economic effects of the TAPS project and the alternatives to that project?

Hon. Arthur Laing (Acting Prime Minister): I would think it would be improper for us to consider making a study of the TAPS project because that could not be done without visiting Alaska, and I would think that any committee set up by us might have no right there. At present, departments are studying very thoroughly the ecological threat that might occur as a consequence of pipelines running through Canada. That is very much our concern, and a great deal of work is being undertaken there. I am quite certain that if a decision were taken to put down a major pipeline through Canada in the Mackenzie Valley area, the consequences would be sufficient for the government to bring the matter before the House.

Mr. Paul Yewchuk (Athabasca): I have a supplementary question for the Acting Prime Minister. It deals with the possible pipeline through the Mackenzie Valley. Can the Acting Prime Minister indicate whether he foresees the construction of this pipeline as something that could be undertaken under the auspices of the Canada Development Corporation to ensure Canadian ownership?

Mr. Laing: Mr. Speaker, I think that would be a matter for decision by the CDC when it is set up.

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GRAIN

WHEAT—AMOUNT TO BE HELD IN COMMERCIAL STORAGE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Manpower and Immigration in his other capacity as the minister responsible for the Canadian Wheat Board. Having in mind the critical cash shortage in western Canada, with its resultant effect on unemployment, does the Canadian Wheat Board intend this year to reduce by 150 million bushels, the amount of grain bought and held in commercial position at the end of last year even though space is available?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it is the intention of the Canadian Wheat Board to carry in commercial storage the amounts which are required to keep the system operating at peak efficiency, and to allow it to carry grains which may be required suddenly to meet specific demands. This will involve a lowering of the amount of wheat in the storage system, and there may be an increase in the carrying of other grains as these become more important export items.

Mr. Korchinski: Will this space not be filled up even for a general election?

Mr. Speaker: Order, please.

STABILIZATION PROGRAM—COMPENSATION TO FARMERS FOR FARM STORAGE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the minister responsible for the Canadian Wheat Board. In light of the fact that the government's grain marketing and stabilization program will force farmers to store much more of their grain on their farms, is it the intention of the government to provide some form of special compensation to farmers to cover these extra storage costs?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I do not accept the premise that the stabilization plan in any way requires the farmer to store more grain on his farm, although the over-all good of the farm community may well be served by grain which used to be in more expensive commercial storage being stored on farms instead. The stabilization program involves a significant government contribution to over-all costs and, therefore, improves the financial position of the Prairie farmer. It is not necessarily worth while, however, to look to a specific storage payment system and in fact it may be better to pay the farmer in full for his effort in the price he receives for his grain, rather than give him a portion for storage and a portion for the other costs involved in its production.

WHEAT—LEVEL OF EXPORTS TO UNITED KINGDOM—DISCUSSION WITH BRITISH REPRESENTATIVE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the minister in charge of the Wheat Board whether, in view of the discussions which took place over the weekend between officials of the Canadian government and Mr. Rippon, the representative of the United Kingdom, concerning trade between our two countries, and in view of the fact that wheat sales were one of the matters under discussion, he can inform the House if he took part in those discussions?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Yes, Mr. Speaker, I did take part in those discussions.

Mr. Gleave: Mr. Speaker, in view of the decline in Canadian exports of wheat to the United Kingdom during the last several crop years, can the minister give an assurance to the House that Canada will be able to maintain or increase the level of its exports of wheat to the U.K. market in the years immediately ahead?

Mr. Lang: Mr. Speaker, the purpose of the discussions was to enable the United Kingdom to understand clearly our concern about access to the U.K. market, not only for wheat but also for coarse grains, and I think we made this very clear to them. The position of our wheat, of course, is rather special, in view of the general need for this kind of wheat by several countries in Europe, including countries which are already members of the EEC. This position is related to the quality of our wheat and it is our hope that we can preserve and indeed enlarge this market, but this will take a continuing effort on our part.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to ask a supplementary question. The minister has mentioned the fact that there is a demand for Canadian hard wheat in Europe and in Great Britain. From his discussions with Mr. Rippon did he gather whether or not, in spite of the fact that Canadian hard wheat is required, we will be required to pay the import levy? Has he any idea how much this levy will be, and what effect this will have on the price received by the western farmers?

Mr. Lang: The whole question of the levy system and the details of any such system are under discussion between the government of the United Kingdom and a number of other governments in the whole context of our respective rights under GATT. No firm announcement to my knowledge has been made yet, but the levy system can be one that involves levies only when prices fall below particular levels and therefore need not concern a specific grain except in special circumstances.

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TRANSPORT

SHORTAGE OF FREIGHT CARS AT PRINCE GEORGE FOR MOVEMENT OF LUMBER

Mr. Robert Borrie (Prince George-Peace River): Mr. Speaker, in the absence of the Minister of Transport I wish to direct a question to the Acting Prime Minister on an extremely urgent matter. As a result of a serious shortage of box and flat-deck rail cars at Prince George, British Columbia, the lumber industry has been required to cut operations back to one shift. Would the Acting Prime Minister advise if action is being taken to provide cars so that the lumber industry will not be faced with a 40 per cent or more lay-off in manpower within the next week?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I regret that the Minister of Transport is not on the roster today, but I can assure the hon. member that this problem is known to him. It is under the most urgent consideration at this time, and I would hope that it will be remedied in a matter of days.

Inquiries of the Ministry

EXTERNAL AFFAIRS

DISBANDING OF COMMONWEALTH COMMITTEE ON INDIAN OCEAN SECURITY—REQUEST FOR STATEMENT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs. It refers to the same very important topic about which I inquired on Friday, namely, the status of the Singapore committee to study security in the Indian Ocean. Since the minister at that time said the government believed this was a useful initiative of the conference but that a meeting of the committee now would not be carrying out the purposes of the conference, would the Acting Secretary of State for External Affairs consider preparing a statement on this very important matter so that Canada, its people and other members of the Commonwealth may know what Canada regards as its status and prospects?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): I thought, Mr. Speaker, that the Secretary of State for External Affairs had answered that question last Friday. At any rate, I will reconsider the hon. member's question and follow it up this week, if necessary.

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[*English*]

NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—INQUIRY AS TO MEETING OF PARTIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Acting Prime Minister since the dockyard strike affects his province, but it could also be directed to the Acting President of the Treasury Board. Is there any indication that the two sides will be meeting within the next two days?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I would certainly hope so.

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FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is directed to the Minister of Finance. It concerns the increase in charges on current accounts announced by the chartered banks. In view of this 33 per cent increase, which is rather outrageous and certainly is inflationary, is it the intention of the minister to look into the increase in charges announced by the chartered banks?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this is a matter for decision by the banks. I certainly have observed the increases, but I have no right to dictate to them what their charges should be.

Mr. Saltsman: Since the banks operate with a minimum of competition and since such increases might spark inflationary tendencies, will the minister consider this a special case and refer it to the Standing Committee on Finance, Trade and Economic Affairs?

Mr. Benson: Mr. Speaker, I will refer it to the attention of my colleague, the Minister of Consumer and Corporate Affairs, and I would imagine that the Prices and Incomes Commission would also be looking at the matter.

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HIGHWAYS

ALASKA HIGHWAY—DISCUSSIONS WITH UNITED STATES AND BRITISH COLUMBIA GOVERNMENTS RESPECTING PAVING

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. In light of the increased activity in northern Canada and the Yukon and to stimulate employment, is the government now holding discussions with the American government and with the government of British Columbia about the paving of the Alaska Highway? If not, is it likely that such discussions will be held?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, the government of the United States has passed a measure empowering a group of representatives of the United States to discuss the improvement of the Alaska Highway with the Canadian government. This is very good news to Canada because over a number of years we have maintained the highway at heavy cost but at a level which is inadequate if it is ever going to be a valuable highway. We are now awaiting the approach of the government of the United States, and will be most happy to discuss with them an apportionment of the costs to improve the Alaska Highway.

Mr. Erik Nielsen (Yukon): With regard to the bills now before the House of Representatives and the Senate of the United States concerning the apportionment of cost of paving the highway, is it the view of the Canadian government that those apportionments are acceptable?

Mr. Laing: Mr. Speaker, I think my hon. friend from the Yukon is referring to a private bill that has been before Congress on a number of occasions, and upon which no action has been taken. There is indication in that private bill of a certain breakdown of percentages, and I can tell him that the highway, in respect of cars and trucks at the present time, is used 72 per cent by American vehicles. If that is a indication of an approximate or fair distribution, it might be a starting point for our discussions.

FINANCE

STUDENT LOANS—SUGGESTED CHANGE IN REPAYMENT REQUIREMENT

Mr. Lorne Nystrom (Yorkton-Melville): I have a question for the Minister of Finance, Mr. Speaker. In view of the present and expected high rate of student unemployment, will the minister consider making amendments to the student loan regulations so that students will not have to commence repayment of loans until six months after obtaining employment rather than six months after completion of studies, as is the case today?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this matter comes up for discussion each year between the provinces and ourselves. Of course, my hon. friend knows that where special circumstances exist the lending institutions can make provision whereby the repayment of a loan is deferred until the student is employed. Indeed, the repayment period can be extended up to ten years; the specified starting date can be varied by the lending institution.

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FISHERIES

PREVENTION OF FISHING BY FOREIGN DRAGGERS WITHIN 12-MILE LIMIT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of Fisheries and Forestry I should like to direct a question to his parliamentary secretary. In view of the fact that reports I have just received indicate that one area off the southwest coast of Newfoundland has been fished out by foreign draggers and that they have moved to other parts of the southwest coast and are continuing to ignore the government direction to stay outside the 12-mile limit, what action will now be taken by the government to enforce the declaration of this limit?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I shall have to take that question as notice.

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Acting Prime Minister, Mr. Speaker. In view of the important statement made in the House on Friday by the Minister of Fisheries and Forestry, and in view of the fact that the minister is supposed to be in the House today according to the roster, and bearing in mind the absence of the Secretary of State for External Affairs, can the Acting Prime Minister assure the House that the Minister of Fisheries and Forestry will be in his place tomorrow to answer questions on this important matter?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I anticipated that the Minister of Fisheries and Forestry would be here today. He was in Vancouver yesterday and I was in Vancouver—

Mr. Stanfield: Everybody is in Vancouver.

Mr. Laing: Everybody goes there eventually.

An hon. Member: How is the weather in Vancouver?

Mr. Laing: I shall certainly draw the minister's attention to the question immediately upon his return.

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YOUTH

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS—DISCUSSIONS WITH PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to return to the question of student employment and ask the Secretary of State whether he has any explanation to give to the House as to why discussions with the provinces were not even initiated until the middle of February? This seems to be the reason no program can be announced. Has the minister any explanation to offer, because on the face of it this looks like one of the greatest derelictions of duty we have seen for some time.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—CREATION OF SPECIAL AREAS IN LA MAURICIE

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Is his department having consultations with the Quebec government for the purpose of creating additional special zones, especially the La Mauricie valley?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No, Mr. Speaker.

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FISHERIES

SEAL HUNT—MEASURES TO CONTROL VISITS TO ICE FLOES

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I had a question for the Minister of Fisheries and Forestry, but in his absence I shall direct it to his Parliamentary Secretary.

In view of the accidents that happened in the Gulf of St. Lawrence last Saturday, will the Department of Fisheries and Forestry make representations to "animal lovers" in the United States and ask them to inquire before engaging in so hazardous an adventure, which as a matter of fact had been indicated to the House last week?

Inquiries of the Ministry

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, the officials of the Department of Fisheries and Forestry advised the members of this organization not to venture onto the ice; this advice was not followed, and the organizers must bear the whole responsibility for any unfortunate incident which may follow.

[*English*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wonder if the Parliamentary Secretary to the Minister of Fisheries and Forestry could advise the House which of the inhuman and brutal sealers rescued the three Americans who fell overboard?

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EXTERNAL AFFAIRS

VISIT TO AFRICA BY MINISTER—SIGNING OF TREATIES OR AGREEMENTS

Mr. David MacDonald (Egmont): Mr. Speaker, I should like to address this question to the Acting Prime Minister or perhaps the information might come from the Parliamentary Secretary to the Secretary of State for External Affairs. As the Secretary of State for External Affairs has taken off on his African safari, can the parliamentary secretary inform the House whether during this two-week trip any treaties or agreements will be signed by the Secretary of State for External Affairs and could he indicate the nature of them?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Yes, Mr. Speaker, during his trip to Africa the Secretary of State for External Affairs will be signing agreements with official representatives of the countries he is going to visit. Since the trip is only beginning today, I would not want to announce ahead of time what those agreements will be. However, I shall be pleased to advise the House as soon as any such agreement is concluded.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, in view of the possible important nature of some of these agreements, I hope we will not have to wait to hear about them from the press, which is often the normal course of events in such matters.

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TRADE

POSSIBLE ENTRY OF BRITAIN INTO EUROPEAN COMMON MARKET—CANADIAN EXPORT ITEMS DISCUSSED WITH BRITISH REPRESENTATIVE

Mr. Max Saltsman (Waterloo): I have a question for the Minister of Finance in connection with the recent discussions with Mr. Geoffrey Rippon regarding the European Common Market. In light of Mr. Rippon's reported statement that everything possible will be done

to cushion the tariff changes, particularly on our major exports, I should like to ask the minister whether he can report to the House any specific items mentioned at that time which would give encouragement to Canadians?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I should like to leave this matter to my colleague the Minister of Industry, Trade and Commerce when he is in the House.

Mr. Speaker: Orders of the day.

• (3:40 p.m.)

GOVERNMENT ORDERS

STATUTORY INSTRUMENTS ACT

PROVISION FOR EXAMINATION, PUBLICATION AND SCRUTINY

The House proceeded to the consideration of Bill C-182, to provide for the examination, publication and scrutiny of regulations and other statutory instruments, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Hon. Marcel Lambert (Edmonton West): I move:

That Bill C-182, an Act to provide for the examination, publication and scrutiny of regulations and other statutory instruments, be amended by deleting clause 10 thereof and that all subsequent clauses be renumbered accordingly.

It would be really wishing for the moon to have this motion accepted, Mr. Speaker. However, the clause of the bill which appears on page 7 of the amended text, as reported back by the committee, reads:

The Queen's Printer shall continue to publish the *Canada Gazette* as the official gazette of Canada.

If the simple tenets of statutory interpretation are applied to the words of this clause, the plain, grammatical, ordinary meaning of those words appear to be declaratory in nature; nothing more or less than that. The clause appears to presuppose that the public officer known as the Queen's Printer has been, and presently is, publishing and printing the official gazette of Canada known as the Canada Gazette. Given this premise, the clause would authorize the Queen's Printer to continue publishing and printing the Canada Gazette as the official gazette of Canada. Why was this particular clause included in this bill, Mr. Speaker? Is it necessary? Is there not a Queen's Printer?

Mr. Turner (Ottawa-Carleton): The research people are working overtime.

Mr. Lambert (Edmonton West): Does he not print and publish the Canada Gazette, and is the Canada Gazette not the official gazette of Canada? I heard the minister interject just now. Not having spoken to anyone before, I asked the minister about this matter in committee, as he may recall, because the thing looked too pat, too innocent. My suspicions were confirmed. We will see where the argument leads.

[Mr. Saltsman.]

Mr. Baldwin: This government could not be innocent; it does not know how to be.

Mr. Lambert (Edmonton West): Let us look at the official gazette of Canada from an historical point of view. What I am concerned about is the statutory authority for the Canada Gazette, that is, the statutory authority for the publication and the statutory authority for the financing of it. Perhaps I can deal with the historical aspect in a moment. Nevertheless, the minister indicated that somebody slipped up in April, 1969, because we suddenly found ourselves without any statutory authority for the Canada Gazette. In all this fine moving around, and notwithstanding the advice of all experts the government employs, somebody dropped, so to speak, the Canada Gazette. Some interesting consequences flow from this and that is something at which the minister will have to look.

In chapter 7 of the statutes of 1869, which is slightly over one hundred years ago, we find an act respecting the Office of the Queen's Printer and the Public Printing. Section 2 of that act provided:

It shall be the duty of the Queen's Printer to print and publish, or cause to be printed and published, for the Government, under his Superintendence, the Official Gazette of the Dominion, to be known as the "Canada Gazette"—

In that quotation from the act of 1869 is to be found the statutory authority for the Canada Gazette.

Over the years, a department of the government of Canada was set up by Parliament called the Department of Public Printing and Stationary. The Queen's Printer was made the head of that department. The last statutory citation for the Public Printing and Stationary Act is chapter 226 of the 1952 Revised Statutes. Section 2 of the original act was carried forward into chapter 226, with only a slight change in wording. Until April 1, 1969, section 27 provided that:

The Queen's Printer shall print and publish, or cause to be printed and published, for the Government, under his Superintendence, the statutes of Canada, the official gazette of Canada, which shall be known as the Canada Gazette—

Then, on April 1, 1969, the Government Organization Act, 1969, came into force. Section 105 provided for the repeal or amendment of various statutes to the extent indicated in Schedule B to that act. Schedule B indicated that the Public Printing and Stationary Act, Revised Statutes, Chapter 226, was repealed. Thereby, the Office of Queen's Printer, the Department of Public Printing and Stationary, and the "Official Gazette of Canada which shall be known as the Canada Gazette" were abolished. As I say, all these were abolished.

Part V of the Government Organization Act, 1969, established the Department of Supply and Services. Section 48 reconstituted the Office of the Queen's Printer and set out his responsibilities. Section 48 reads as follows:

The Minister may, by order, appoint an officer of the Department of Supply and Services to be the Queen's Printer for Can-

ada who shall, under the supervision of the Minister, exercise such printing and publishing functions for the Government of Canada as are assigned to the Queen's Printer by law or as may be assigned to him by the Minister.

In this section, Mr. Speaker, Parliament does not assign to the Queen's Printer the function of printing and publishing an official Gazette of Canada. Nor does it give to the minister power to authorize the Queen's Printer to print and publish an official Gazette of Canada. The power of the minister as to printing and publishing is set out in section 44(1) (d) which provides that the powers and duties of the minister extend to and include, "...the acquisition and provision of printing and publishing services for departments." Nothing is said there about the Canada Gazette. Parliament has not given the minister any power to set up a Canada Gazette. Parliament has not given to the Queen's Printer the function of printing and publishing an official Gazette. Certainly, it did not do so in the act of 1969. However, since the Department of Public Printing and Stationary, whose deputy head was the Queen's Printer with responsibility for publishing the official gazette of Canada, was abolished by the act, it is obvious that the Department of Supply and Services cannot service hat extinct department.

It is now necessary to inquire whether any other law assigned to the newly reconstituted Queen's Printer, under section 48, the duty of printing and publishing an official Gazette of Canada. Here, Mr. Speaker, I put the minister to the task of examining the Statutes of Canada and telling the House whether the statutes reveal that any law of this Parliament gives the Queen's Printer or other public official such authority to publish the Canada Gazette. There is no such law in existence at the present time. The various appropriation acts, based upon the main estimates and supplementary estimates for the fiscal years 1969-70 and 1970-71 show that money is voted for the activities of the Queen's Printer. There is mention of a publication referred to as the Canada Gazette; but there is no purpose specifically cited for this publication in these appropriation acts or the estimates upon which they are based. There is no mention that the purpose of this publication, the Canada Gazette, is to be the official Gazette of Canada.

I have gone into the historical background, Mr. Speaker, and I come now to the point made by the minister in committee, because he said that there is no requirement for statutory authority. There, I differ with him. This lack of a parliamentary authority by statute for the publication of "an official gazette of Canada" was confirmed by the minister in the reply to a question that I had put to him. May I refer briefly to page 17 of committee report No. 7 of the Standing Committee on Justice and Legal Affairs, of February 16, 1971, where the minister is reported as saying:

Clause 10 does not set up the Canada Gazette. Clause 10 does not set up the Queen's Printer. Clause 10 just says that the Queen's Printer is now publishing the Canada Gazette and it shall be the official gazette of Canada. That is all.

It is now necessary, Mr. Speaker, to inquire whether the Queen's Printer, under the words, "or as may be assigned to him by the Minister" in section 48 of the Government Organization Act, 1969, was assigned to print and publish, "an official gazette of Canada" by the Minister of Supply and Services (Mr. Richardson). That, Mr. Speaker, must be the chain of authority. It has been noted that the powers and duties of the Minister of Supply and Services, given to him under the Government Organization Act, 1969, do not authorize him to do this. A search of the statutes reveals that Parliament has not, in any other act, authorized him or any other minister to assign to the Queen's Printer the function of printing and publishing an official gazette of Canada.

• (3:50 p.m.)

In the absence of statutory authority, there remains only the crown prerogative. Has the Crown, in right of Canada, a prerogative to print and publish an official gazette of Canada?

Mr. Turner (Ottawa-Carleton): It is not a gazette.

Mr. Lambert (Edmonton West): It appears to be a prerogative power to which the Minister of Justice refers when he stated in the Standing Committee on Justice and Legal Affairs, at pages 17 and 18 of the committee report on the bill:

The Queen's Printer shall continue to publish. The money has been voted in the estimates regularly. There is no official authority for the official gazetting in the United Kingdom, Mr. Beseau tells me. Really, we are not creating the *Canada Gazette* by statute. We are just saying:

"10. The Queen's Printer shall continue to publish the *Canada Gazette* as the official gazette of Canada."

It has already been published. It is already found in the Estimates under whichever department it is. We are just making it the official gazette of Canada.

I could go into a very long historical examination of the crown prerogative. I could go back to the middle of the 16th century, but I will spare the House that exercise.

Mr. Baldwin: That is where the government is all the time anyway.

Mr. Lambert: The minister referred to the status of the gazette in the United Kingdom, and this is the only precedent he can follow. There is no statutory authority for the Canada Gazette, therefore the minister must fall back on the Crown prerogative. The Crown prerogative has its origin and source in the United Kingdom. I suggest to Your Honour that the two cases are quite different and, therefore, we must come to statutory authority. Whether we have an official gazette of Canada on a statutory basis or whether it is by Crown prerogative is not a decision for the minister to make, but for the courts. It is not for the minister to say that statutory authoriy is not required or that the authority is under the Crown prerogative. Even though there is a very fine question whether, having had statutory authority from 1869 onward the Crown prerogative was abolished at that particular point and the authority was actually taken over by this Parliament to establish an official gazette of Canada.

I must apologize to the House for having gone through a rather lengthy historical review of the antecedents and

origins of the Canada Gazette. The decision on the question whether the Canada Gazette, as printed and published since April 1, 1969, to the present, is the official gazette of Canada, is for the determination by the courts. The Minister of Justice, the Privy Council, this House or Parliament cannot assume that constitutional jurisdiction. What this House must properly inquire into, what the Minister of Justice should fully disclose, is the necessity for and the consequences of including clause 10 in Bill C-182. Why is it there? If the Canada Gazette has not existed as the official gazette of Canada since April 1, 1969, what are the consequences?

The Regulations Act, section 6(1), requires that every regulation shall be published in the Canada Gazette. Section 2(a) defines "regulations" as including a "proclamation". Section 6(3) provides that no regulation is invalid by reason only that it was not published in the Canada Gazette but no person shall be convicted for an offence consisting of a contravention of any regulation at the time of the alleged contravention that was not published in the Canada Gazette. There is an exception in paragraphs (a) and (b) of subsection (3). These paragraphs read:

> (a) the regulation was, pursuant to section 9, exempted from the operation of subsection (1), or the regulation expressly provides that it shall operate according to its terms prior to publication in the Canada *Gazette*, and
>
> (b) it is proved that at the date of the alleged contravention reasonable steps had been taken for the purpose of bringing the purport of the regulation to the notice of the public, or the persons likely to be affected by it, or of the person charged.

As a matter of fact, those paragraphs contain some of the wording of section 11 of the present act. By way of an aside, it is interesting to note that even the alternative method of notice provided for in paragraph (b), is of no avail where a person is tried on a retroactive offence; that is, it is impossible to give him notice of a regulation (including a proclamation) where the alleged offence was committed before the proclamation was issued or the regulation made.

Section 6 of the Regulations Act hangs upon the meaning to be given to the words "Canada Gazette". The exception to the necessity of publishing penal regulations hangs upon the meaning of "Canada Gazette". Under the Canada Evidence Act, section 18, the courts must take judicial notice of all acts of the Parliament of Canada. The courts are under notice that there is now no statutory authority for the printing and publishing of an official gazette of Canada. I want to draw that to the particular attention of the minister. As it now stands, the courts are under notice that there is now no statutory authority for the printing and publishing of an official gazette of Canada. It is for the courts to determine whether they should convict persons who appear before them on an offence created by regulation, or under authority of a proclamation that proclaims a penal statute to be in force, on and after April 1, 1969, or whether they should convict persons charged with retroactive offences created after April 1, 1969.

I pause to bring to the attention of the minister the effect these words could have on a recent action taken by the government. A proclamation, special measures under the War Measures Act and regulations appeared in the Canada Gazette, but the Canada Gazette had no statutory effect. What this House should not do, and what the Minister of Justice should not lead this House into doing, is to pass a provision that may have retroactive penal effect on criminal cases now before the courts.

As well as clause 10, the Minister of Justice should explain to the House the change that this bill proposes to make to the exception in paragraph (b) of subsection (3) of section 6 of the present Regulations Act.

Mr. Turner (Ottawa-Carleton): That is a different amendment.

Mr. Lambert (Edmonton West): This is the proposal contained in clause 11(2)(b), to which I also have an amendment. I will leave my discussion with regard to that particular point until we get to my amendment to clause 11. Briefly, Mr. Speaker, the purport of my amendment is to fully bring out in the open the fact that it is incumbent upon the minister to explain to this House why he wishes to make a change, and the purport of the change. Therefore, I say to him, clause 10, which purports to classify or to qualify the Canada Gazette as the official gazette of Canada, deserves a fuller explanation. Why is it being done? I suggest, and the minister himself confirmed this, that in the course of the preparation of the government reorganization bill of April, 1969, something was inadvertently done which removed the statutory authority which gave the Canada Gazette its status as the official gazette of Canada. This entrains consequences, and the consequences are those which the courts may have to consider. The minister owes it to the House to give a full explanation of the changes which are proposed and also, as far as possible, to answer the questions I have raised concerning the validity or otherwise of the official status of the Canada Gazette.

• (4:00 p.m.)

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I reply merely in the terms of the submission I attempted to make before the committee. The purpose of this clause is simply to confirm the Canada Gazette as the official gazette of Canada. In the repeal of section 27 of the Public Printing and Stationery Act effective April 1, 1969 and the subsequent government reorganization measure, authority over the Queen's Printer was transferred to the new Department of Supply and Services—nothing more. The Department of Supply and Services now reports to the House concerning the estimates of the Queen's Printer. The Queen's Printer continues to exercise the functions he always exercised and among those functions was, and is, the publication of the Canada Gazette. The statutes which refer to the Canada Gazette refer to it as the Canada Gazette. I submit that the continuity of the Canada Gazette has existed in practice as endorsed in the estimates of the House. This clause does not provide that the Queen's Printer shall continue to publish the Canada Gazette as the official gazette of Canada; it simply provides it shall be continued as the official gazette of Canada.

At the present time, the Canada Gazette is recognized as being the official gazette, but this recognition needs a statutory basis, one which the clause in question will give to it. There has been no interruption in the authority for the publication of the gazette. It is published—

Mr. Lambert (Edmonton West): Under whose authority?

Mr. Turner (Ottawa-Carleton): Under the authority of the minister, who was given that authority by the Government Re-Organization Act. The hon. member reads the words "if designated by the minister", and it has been so designated. The Canada Gazette retains its status as a journal in which documents needing publicity for validation must be published. Nevertheless, the clause itself does not revalidate the Gazette; it merely repairs a lapse whereby the Gazette was not defined as the official gazette of Canada.

Mr. Lambert (Edmonton West): Would the hon. gentleman kindly indicate on what occasion the minister designated the Canada Gazette in the terms he used and whether, in any case, he has the power to do so?

Mr. Turner (Ottawa-Carleton): He has the power under the section of the Government Re-Organization Act which the hon. member read.

Mr. Lambert (Edmonton West): May I ask a further question? Since the Department of Public Printing and Stationery has been abolished, the authority of the minister can only be directed to existing departments—

Mr. Turner (Ottawa-Carleton): The Queen's Printer remains with us. Authority was transferred from one department to another without any lapse.

Mr. Andrew Brewin (Greenwood): I listened with a great deal of interest to the learned arguments put forward by the hon. member for Edmonton West (Mr. Lambert).

Assuming for a minute that his point is correct, that between 1969 and the present time there was doubt as to the existence of the official authority for the publication of the Canada Gazette, then if the effect of clause 10 is to remedy what clearly, at the highest, was an error or a lack of clarity in the amendment of the statutes, and although this provision may have some retroactive effect, I think we should pass it. I say this recognizing that all lawyers and, I hope, all parliamentarians abhor legislation whose effect is retroactive. I have certainly made it my business to oppose such legislation in this House on a great many occasions. It seems, though, that the effect of this clause is merely to confer a degree of legality which was omitted through mischance or misunderstanding when the statute of 1969 was passed.

What is the alternative? The alternative would be to allow the void, the confusion, to continue indefinitely. I cannot see the point of that, and for this reason I find it difficult to support the amendment.

Mr. Lambert (Edmonton West): Might I ask the hon. member whether he, as a lawyer, would be prepared to accept a conviction based upon a regulation which had been published in a gazette for which there was no authority?

Mr. Brewin: If this clause is passed it will be a declaration by Parliament that it did have authority, and I would be in favour of making such a declaration.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker. Authority for the Canada Gazette lies in the fact that it is the Canada Gazette, not that it is designated as the official gazette. All the statutes to which the hon. member refers speak of the Canada Gazette. The legal power is not changed by designating it the official gazette.

Mr. G. W. Baldwin (Peace River): This is too fascinating an argument to avoid becoming involved in, Mr. Speaker. On the question of substance raised by my hon. friend from Edmonton West (Mr. Lambert), I would think that when the government introduces legislation which contains a clause of a somewhat dubious character in terms of it being, possibly, retroactive in effect, responsibility falls upon the minister concerned to inform the House as to the background of the situation in order that hon. members may know precisely what they are being asked to do.

The hon. member for Greenwood (Mr. Brewin) has outlined circumstances which might warrant us in taking the course the government proposes, but the onus rests upon the Minister of Justice (Mr. Turner), and in my view he has not sustained it up to the present. It might well be that if I were counsel defending some of those charged under the provisions of regulations enacted under the War Measures Act, I would look with interest upon this particular argument. I might be compelled to consider whether this would constitute a valid legal defence. However, it is not for me, or for that matter the minister, to decide this question. It must be left to the courts to decide. This argument must have some effect on our judgment when we consider passing the bill.

• (4:10 p.m.)

I should like to go on from that point very briefly because the question of the Royal prerogative has been raised. We had an opportunity during our committee discussions to talk about this Royal prerogative and how it is exercised. I have raised this question before in the House. We are driven to consider the effects of section 12 of the British North America Act which contains a code in respect of what the Royal prerogative is and how far it can go. I am not going to apologize for reading it all because I think it is pertinent. Section 12 of the BNA reads:

> All Powers,, Authorities, and Functions which under any Act of the Parliament of Great Britain, or of the Parliament of the United Kingdom of Great Britain and Ireland, or of the Legislature of Upper Canada, Lower Canada, Canada, Nova Scotia, or New Brunswick, are at the Union vested in or exercisable by the respective Governors or Lieutenant Governors of those Provinces, with the Advice, or with the Advice and Consent, of the respective Executive Councils thereof, or in conjunction

with those Councils, or with any Number of Members thereof, or by those Governors or Lieutenant-Governors individually, shall, as far as the same continue in existence and capable of being exercised after the Union in relation to the Government of Canada, be vested in and exercisable by the Governor General, with the Advice or with the Advice and Consent of or in conjunction with the Queen's Privy Council for Canada,

In other words, as the situation existed in these provinces and the United Kingdom in 1867, the Royal prerogative is continued and has become capable of being exercised by the Privy Council here unless and until the Parliament of Canada alters, varies or amends it. I think there is no question that the Privy Council have the right to do so under any constitutional system of responsible government. At some time, and this is not the time to do it, I hope to introduce a measure to clarify the relationship between the executive branch of government, the Governor in Council and the Parliament of Canada. Far too long, in my view, the government has taken upon itself the exercise of powers, allegedly under prerogative rights. This exercise of powers should be challenged, and there should be some clarification. Hopefully these things are worked out in a constitutional and democratic democracy, as we have in the past by precedent, practice or common law.

When you find governments, in particular this government, exercising the kind of authority the Prime Minister (Mr. Trudeau) and his Cabinet have been exercising, I think it is time we had some clarification of what their rights are in relation to the rights of the Parliament of Canada. This is a collateral issue which I now raise in order to bring it to the attention of the House and, hopefully, the country, so that something may be done. The fact remains, and this was declared unequivocally by expert witnesses who appeared before the special committee on Statutory Instruments, that whatever the rights of the executive might be under the prerogative, they were always susceptible of being altered or curtailed by the Parliament of Canada. I hope the minister will not disagree with that. The Parliament of Canada is not going to be too rapid in its attempt to do this because usually the government has an obedient majority which will see that its rights are not curtailed. Somehow it happens that it is always the opposition which wants to curtail the rights of the party in power.

In addition to that, these experts witnesses pointed out that these prerogative rights may be curtailed. My hon. learned friend, the hon. member for Edmonton West (Mr. Lambert), started to develop that argument. The Parliament of Canada, irrespective of the rights of the Governor in Council, under section 12 of the British North America Act, did in fact act by designating the ways and means by which there could be an official Canada Gazette in which regulations and statutes could be published in order to give them the force of law.

In many instances there is a right to enact regulations, Orders in Councils, and decrees, but they remain ineffective unless and until they have been published. They can only be published in some publication which has the assurance of being the officially designated organ for that purpose. Our Parliament did make such a designation.

[Mr. Baldwin.]

Having done so, it has assumed the right to deal with what might have been part of the Royal prerogative, and having done so that right does not flow back to the government. To that extent, the hon. member for Edmonton West is quite correct.

In simple words, there has been a hiatus between 1969 and now, that is from the government organizational bill until this attempt to rectify this omission or what can be interpreted as an attempt to rectify an omission. I must part company with the minister when he suggests that clause 48, which was read out by the hon. member for Edmonton West, does give this right. This is the right dealing with the appointment of an officer, *persona designata,* to exercise certain authority and perform certain duties. This is not the case at all, and one would have to stretch and torture the ordinary meaning of these words to suggest that they confer any right on the minister or the appointed official to establish another publication which would have the force of an official Canada Gazette in which these respective orders and regulations must be published. That is the point I make.

It may well be the better part of wisdom for this House to pass clause 10, as it may be necessary to remedy that omission; that is the problem we are facing. The government attempts to show progress by bringing forward many organizational bills. We now have another one before us. I suggest you do not make progress merely by turning your watch ahead 24 hours. You must make progress in many more effective ways. The minister should review the situation and consult with his advisers, perhaps other than the legal ones. I suggested the other day that I would not in any event accept the advice of the Minister of Justice. That was not because he is not a good lawyer, but because he is the Minister of Justice and I would not be entitled to it. Perhaps his legal advisers are wrong, and they have been wrong in the past. It has been my fortune to successfully appeal judgments of various courts. In some cases, officials of the Department of Justice have advised their agents to continue prosecution and higher courts upheld my appeals. Fortunately, they are right most of the time, but there are times when they have been wrong and this may be one of those times.

I urge the Minister of Justice to review this matter. It is difficult to admit that we are not always right. I have been a married man a long time and I find it difficult to admit that I am wrong. As a practising lawyer, and as a member of the Opposition, it is difficult to admit one is wrong. The minister may also find it difficult to admit he is wrong. If he is wrong and clause 10 is now to have a retroactive effect, we should have a look at it to see what that effect will be. We must consider what its total impact will be, particularly having regard to the very important proceedings which have taken place before the courts in the province of Quebec. If we decide, with full knowledge of the facts, that it is competent and proper for us to review the submission we will do so. I do not feel this rather casual manner of bringing this before us will result in obtaining a debate in the House. There-

fore, I have for that reason, after some consideration, decided to support my hon. friend from Edmonton.

• (4:20 p.m.)

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I shall not be long, and I am sure if the minister finds any comfort in what I say he will regard it as the kind of comfort Job's friends gave Job. The fact is this situation proves that when these mammoth bills which contain many ramifications, such as the government organization bill, come up in this Parliament frequently we would be justified in calling them disorganization bills. I should simply like to quote from chapter 226 of the Revised Statutes of Canada 1952. I refer to section 27, which was wiped out by the reorganization bill of last year. The heading is "Canada Gazette, Etc.". It reads as follows:

The Queen's Printer shall print and publish, or cause to be printed and published, for the Government, under his superintendence, the Statutes of Canada, the official Gazette of Canada, which shall be known as the Canada Gazette,—

I think that is the designation of it right there.

—and all such official and departmental and other reports, forms, documents, commissions, and other papers, as he is required to print and publish, or cause to be printed and published, by or under the authority of the Governor in Council; and whatever is printed under his superintendence, by authority of this Act, shall be held to be printed by him.

That, Mr. Speaker, is the rather large mouthful that was knocked out when we passed the reorganization bill last year.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 1. All those in favour of the said motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Lambert (Edmonton West): On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion (Mr. Lambert, Edmonton West) negatived.

Mr. Deputy Speaker: The House will now proceed to motion No. 2.

Hon. Marcel Lambert (Edmonton West): I move:

That Bill C-182, An Act to provide for the examination, publication and scrutiny of regulations and other statutory instruments, be amended by deleting paragraph (b) of subclause (2) of clause 11 in lines 33 to 37 at page 7 and substituting therefor:

"(b) it is proved that at the date of the alleged contravention reasonable steps had been taken for the purpose of bringing the purport of the regulation to the notice of the public, or the persons likely to be affected by it, or of the person charged."

I do not wish to talk out my motion, Mr. Speaker, or suggest there should be opposition to it. In effect, I am restoring to the act the wording which existed for many years. What it really boils down to is that it is more difficult under the present wording for the Crown to convict on unpublished regulations and is harder for the accused to defend himself. This is the effect of paragraph (b).

An hon. Member: What was the reason?

Mr. Lambert (Edmonton West): If the hon. member would please read the section, he would see that it was in much more general terms. Because of the changes with regard to unpublished regulations there is a strong possibility that by passing clause 10, as we just have, there shall be a retroactive effect in respect of criminal cases now before the courts. I was actually disappointed at the minister's rather too cursory, if I may say so, explanation of the government's case. It was only a slight expansion of what he said in the committee and what he said there was insufficient. I think the minister should explain why he wants to change this exception in paragraph (b).

We are now dealing with clause 11 in the Statutory Instruments Bill, Bill C-182, which proposes to repeal the present Regulations Act and incorporate its provisions in Bill C-182. Clause 11 (2) (b), at page 7 of the reprinted bill, reads:

(b) it is shown that at the date of the alleged contravention reasonable steps had been taken to bring the purport of the regulation to the notice of those persons likely to be affected by it.

If we compare that wording with the wording that has been in existence over a number of years, I would say there is a great deal of difference. First of all, in the proposed law the wording is "it is shown that" whereas in the previous regulations the wording was "it is proved". There is a world of difference between "it is proved" and "it is shown".

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): But the French version reads "s'il est prouvé"—

Mr. Lambert (Edmonton West): Mr. Speaker, I am very grateful to the Parliamentary Secretary to the Minister of Justice, but I will say that if the French text were faithful to the English one, it would read "s'il est démontré", and not "prouvé". The texts must agree. If, in the French version, the word "prouvé" is used, a proof is required. In English, only a demonstration is required.

[*English*]

So, there is a difference in the wording. Secondly, we come to the question of what persons. The proposed amendment refers to "those persons likely to be affected by it". Who is to judge who is likely to be affected? What the minister is incorporating in his amendment today reminds me of a book by C. K. Allen. If I recall correctly, he might also have attended to lectures of the late Professor Cheshire of Exeter College. The British had the

most fantastic regulations dealing with food production and the marketing of food.

• (4:30 p.m.)

One of the great stories Doctor Cheshire told was when he, on behalf of Exeter College, was duly summoned before a court to answer why the college had either produced too many or too few eggs on some distant farm the college owned in contravention of some government food regulation that had an index number a yard long. When an inquiry was made as to what this regulation was, it was found that the blessed regulation had never even been printed. No one but some dim-witted and very minor official in the food ministry was aware of this regulation. It seems to me that we are getting dangerously close to this when we say here merely "to the notice of those persons likely to be affected by it". Surely, the law has operated satisfactorily. Has there been objection to the wording which existed previously under the Regulations Act? Surely to goodness if we in Canada are going to insist that our courts not only do justice but appear to do justice, it is not asking too much that there be proof the regulation had been drawn to the attention of the person being charged. Surely to goodness, that is different from merely giving notice to the persons likely to be affected by it.

It seems to me that the original language was more felicitous; that is the burden of my argument. I must confess that I did not notice the difference between the English and the French texts, and I thank the parliamentary secretary for bringing it to my attention, but it seems to me that there is a clear difference between the words "shown" and "proved". I ask the minister to answer my point. I am quite prepared to meet him halfway, but let us get this clause straightened out.

Hon. John N. Turner (Minister of Justice): May I say first of all, without accepting the hon. member's amendment, that I would be willing to change the word "shown" as it is found in the bill at page 7 in clause 11 (2)(b), the first three words of which read "as it is shown", to "it is proved" to bring it into accord with the French version which reads "s'il est prouvé". Both versions would be interpreted together under the Interpretation Act, in any event, so if there is any way of doing that with the unanimous consent of the House, I think that could be registered.

Mr. Deputy Speaker: Is it agreed that the amendment suggested by the Minister of Justice (Mr. Turner) be adopted?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): Regarding the substance of the hon. member's argument, what he does in his amendment is to attempt to resurrect section 6 (3) of the Regulations Act. Under the law as it now stands, a conviction cannot be obtained unless the regulation is published or, if exempted from publication, it has been brought either to the notice of the public or the persons likely to be affected, or the person charged has been given notice.

What we have retained in our version are the words "to bring the purport of the regulation to the notice of those persons likely to be affected by it". I want to point out that under the present law these are alternatives, three choices. The law can be satisfied if public notice is given, whether or not the person or class of persons likely to be affected have or have not been notified. We think that is too wide. On the other hand, we think it is too narrow to ensure that a particular person who has been charged has been given notice if he is among a class of people whom the regulation is affecting and should have, in the ordinary course, received notice of it. On the one hand, we think there is not enough protection to the individual, and on the other we think it would be going too far to notify each individual who is a member of a class of persons who have had that notice if general notice has been given to that class of person whether he be a mariner, an airline pilot or someone involved in the distribution of eggs or poultry.

If general notice is given to the trade or to a section of the public, and if a person in the ordinary course would have had notice of it as a member of that trade or class of public, then we feel that that is a fair compromise. So, under the present law and under the amendment suggested by the hon. member, the options are too wide and too narrow. An official notice could be published in the Canada without it being brought to the attention of the people likely to be affected, and the conviction would be valid. On the other hand, if it were to be a requirement in every case that everybody affected by the regulation had to be given personal notice before any conviction would be valid, that would be going beyond the realm of common sense. That is why, of the three options now available under the law, we have settled upon the one that brings about a measure of fairness and common sense.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I will be very brief on this particular amendment. As I understood it, the hon. member for Edmonton West (Mr. Lambert) said that his amendment would put a heavier burden on the Crown and that, on the other hand, it would add to the difficulties of the accused in one of these cases. If that were the correct interpretation, I would be very sympathetic to his amendment. However, as the Minister of Justice pointed out, my impression is that the original clause as it is before us has exactly the opposite effect. The amendment gives three alternative ways in which notice can be imputed to an accused. It can be imputed to him because notice would be given to the public; that is one alternative. It can be imputed to him because persons likely to be affected have received notice, or it can be imputed to him if he himself has received notice. Clause 11 (b), as it stands presently, is restricted to one way in which notice can be imputed, that is when notice has been given to those likely to be affected. It seems to me that that is narrower rather than broader than the amendment proposed by the hon. member for Edmonton West. For that reason, the expla-

nation of the minister is satisfactory to me and I would be disposed to support the original clause rather than the amendment.

Mr. G. W. Baldwin (Peace River): I have some comments to make, but perhaps I may be allowed first to ask the minister a question which he might see fit to answer now. Having in mind the fact that this provision relates to criminal practice, would it be the opinion of the minister that part of the substance of any charge which would have to be proven by the Crown beyond a reasonable doubt would be the fact that such publicity had been given in such places, in such a way and at such a time, that any person who might be charged with an infraction of the regulation was made aware of it. Would that be the view of the minister? The minister nods his head. The reason I asked the question was that, in my opinion, the difference here was the notice to the public. As has been pointed out the phraseology contained in the legislation we are now considering is, "taken to bring the purport of the regulation to the notice of those persons likely to be affected by it". This is the whole problem so far as ignorance of the law being no excuse is concerned.

• (4:40 p.m.)

In this place we may deal with a very serious amendment to the Criminal Code, as we did last year and as we may be doing later this year. It is not part of the basis of any successful prosecution to be able to establish that a person charged with a breach of a new offence, no matter how substantial an offence, knew of that change. Are there any classical scholars here who know about the Roman emperor who, being compelled to publish his laws, published them on tablets of stone but hung the tablets up so high that nobody could read them? I would have been happier if the word "public" appeared in that clause because you could have imported from the word "public" that it was essential the regulations had been given such notice and notoriety that any member of the public would be aware of them. The reason for that provision is that regulations are usually passed and proclaimed in the secrecy of cabinet offices. I am not saying that is wrong, but I point out the contrast. When we debate legislative changes in this House, with the aid of our friends in the press gallery, a certain amount of attention is given to the changes.

There is one other matter which I should draw to the minister's attention. One of the reasons we are in this difficulty, which has prompted the hon. member for Edmonton West (Mr. Lambert) to move his amendment, is that the minister and his officials did not pay enough attention to what the committee suggested. I will not go into that now. I will be able to show later on, when dealing with one of the amendments, the limited extent to which the government has moved in complying with the committee's recommendations. However, I know that any response appears to constitute a magnificent effort because before this legislation we had nothing, and now even going forward a modest few feet looks to be quite a feat for the government.

If we look at the third report of the Special Committee on Statutory Instruments we find one important recommendation on page 91. This recommendation resulted from a substantial debate in the committee as well as the views expressed by the people who appeared before the committee. My hon. friend from Greenwood was quite concerned about this; in fact he and I were both concerned about it. Recommendation No. 9 on page 91 reads:

> Before making regulations, regulation-making authorities should engage in the widest feasible consultation, not only with the most directly affected persons—

They would be those covered by the wording in the legislation.

> —but also with the public at large where this would be relevant. Where a large body of new regulations is contemplated, the government should consider submitting a White Paper, stating its views as to the substance of the regulations, to the appropriate Standing Committee. When enabling provisions and statutes are being drawn, consideration should be given to providing some type of formalized hearings on consultation procedures where appropriate.

Later on when we came to making suggestions as to the form of the scrutiny committee that should be established, this was one of the proposals which would invest that committee with some form of authority. I recognize that a recommendation of that kind cannot be fully implemented and incorporated into a statute but I do think that those who drafted this bill might have seen fit to incorporate somewhere, as a matter of principle, that regulations, as defined in the bill, should be submitted to this process of consultation with those members of the public most directly concerned.

The preface to the report contains this paragraph, Mr. Speaker:

> This report is based on the assumption that public knowledge of governmental activities is the basis of all control of delegated legislation. For parliamentary democracy is a system of government which requires that the executive be responsible to the legislature and that both be accountable to the people, and there can be neither responsibility nor accountability where there is no knowledge of what has been done. In political matters knowledge is the beginning of power, and its lack, impotence.

I quote those words to show that I am quite disappointed there was not in the legislation, not so much in the actual operative sections, but at least in the form of the preamble, a statement of principle to indicate that it was the intention of this parliament to direct the government, to engage in the widest possible measure of consultation before regulations are drafted. If that had been done, we would not have needed to worry about the amendment of the hon. member for Edmonton West. I must express my regret that it was not done. I hope that when this bill, which does break some new ground, is considered for review something of that kind will be done so that the government of Canada, whatever party forms that government, will have no doubt of what we intended when we were giving directions to the government at this time.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I was a member of the committee referred to by the hon. member who just sat down. I think it might be interesting to note that on many occasions we did give earnest consideration to how regulations, orders and

other statutory instruments could affect the lives of people. Perhaps I could note two specific examples that came to mind. We could set up a regulation involving beekeepers, and the likeliest way of getting that to the attention of beekeepers would be to see it got into the hands of people who publish magazines specifically directed to the beekeeping trade. But then there was the other problem that every few months a division of the Department of Transport issues suggestions for the operation of airplanes by the airplane pilots of Canada. Mr. Speaker, as you would know from your legal background a suggestion as to proper conduct or standards of conduct, set forth in something like that would, if breached, at least give a prima facie appearance of negligence.

Yet we knew it would be futile to suggest that something perhaps as thick as Eaton's catalogue, being altered every few months by tearing out some pages and replacing them with others, should be published for the public at large. So, in a variety of ways, we did suggest means by which public notice could be given if public notice were required, or special notice could be given if special notice were required. I think, therefore, that what the minister has put in his proposed clause 11, subject to the requests we have made, probably better meets what the committee felt was the best approach for it. The words used are "reasonable steps," but the obligation is still on the Crown to prove that reasonable steps were taken. If an airline pilot is sent a handbook and doesn't read it, I think it is a fact that the reasonable step has been taken to bring it to his attention. If somebody subscribes to a fisherman's magazine in which there is something particularly pertinent to him but he tosses it in the wastepaper basket, I think one could say that reasonable steps have been taken in that regard as well.

• (4:50 p.m.)

I understand that the wording of the motion of my learned friend from Edmonton West was not that far from the minister's and now that the minister has amended the wording the hon. member would ask leave of Your Honour to withdraw his motion.

Mr. Lambert (Edmonton West): Mr. Speaker, having heard the explanation from the minister and the change in the wording, with the leave of my seconder, I would ask permission of the House to withdraw the motion. I hope we do not regret this particular step. I think there are still some difficulties, but I am not going to be that difficult myself. I would, therefore, ask permission of the House to withdraw my amendment.

Mr. Baldwin: Mr. Speaker, I was not going to give permission but the eloquent plea of the hon. member for Edmonton West has persuaded me, and the mute appeal of the Minister of Justice has reinforced that determination.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker. Before we withdraw the proposed amendment, I should like to know if it is withdrawn what happens to the commitment of the minister to change the word "shown" to "proved"? Will that have to be moved as a separate amendment, or amend this motion, striking out all the words except the words after "proved"?

Mr. Turner (Ottawa-Carleton): On the point of order, Mr. Speaker, the Chair could correct me but I think the committee accepted this change of the word "shown" to the word "proved" in the text of the bill. It is pretty loose procedure—

Mr. Deputy Speaker: On the point of order, may we just review that so that the Chair and hon. members are agreed? Is it the understanding that by agreement there was an order that the bill be amended by inserting clause 11(2)(b) in the English version the word "proved" for the word "shown"?

Mr. Turner (Ottawa-Carleton): Line 33.

Some hon. Members: Agreed.

Mr. Deputy Speaker: That was agreed. Is it agreed that the hon. member's amendment be withdrawn?

Some hon. Members: Agreed.

Motion (Mr. Lambert, Edmonton West) withdrawn.

Mr. Deputy Speaker: The hon. member for Peace River on a point of order.

Mr. Baldwin: On a point of order, Mr. Speaker. The next motion is an exceedingly important one. Having in mind the importance of private members' hour, I nevertheless wonder if there is a disposition on the part of the House for Your Honour to take a hasty look at the clock and say that it is five o'clock now.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Before I look at the clock and ask hon. members for consent, perhaps I might refer to amendments Nos. 3 and 4. These have reference to the same clause of the bill, and in substance I think are essentially the same amendment. I wonder if the hon. members who moved the amendments might agree that they could be debated together in the one debate, and then if we so wish we could deal with them in separate votes.

Mr. Baldwin: I would think so, Mr. Speaker. Although my hon. friend from Edmonton West and I, through a process of intellectual osmosis, have arrived at the same decision, nevertheless he has gone a little further on collateral issues and has made proposals which I have not dealt with in my amendment. While I think we are ad idem in most aspects, there is this difference. However, for the purpose of debate I think it would be much better if we could debate both issues and the Chair would not call us to order if we happened to deal with an aspect of the amendment of the hon. member for Edmonton West which was not included in my amendment.

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker, we will agree with that, particularly since it will be interest-

ing to see how the two hon. members will reconcile the amendments.

Mr. Deputy Speaker: It is agreed that motions Nos. 3 and 4 will be dealt with in the same debate and hon. members will vote on them separately.

Is it agreed that the Chair shall now call it five o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions and public bills.

PRIVATE MEMBERS' NOTICES OF MOTIONS

INCOME TAX ACT

REQUEST FOR AMENDMENT TO PERMIT DEDUCTION OF COST OF TOOLS IN CALCULATING TAX

Mr. Don Mazankowski (Vegreville) moved:

That an humble address be presented to His Excellency praying that the Governor in Council will amend the regulations under the Income Tax Act whereby the deduction in computing income allowed self-employed professionals, tradesmen and workmen in respect of capital costs of tools necessary to their trade and similar property be extended to all professionals, tradesmen and workmen, whether self-employed or otherwise who must purchase themselves such property in the course of their employment.

He said: Mr. Speaker, I very much welcome the opportunity to again pursue the subject matter contained in this resolution. Basically, the resolution sets out to allow all tradesmen, workmen and professionals, whether self-employed or otherwise, the opportunity of deducting for income tax purposes any capital costs for tools and other equipment necessary in the discharge of their occupation.

When this resolution was before the House during the last session, it provided an opportunity for hon. members to express their reactions to the intent of my proposal. Upon listening to the remarks of those members who engaged in the debate, and upon subsequently reviewing their contributions in *Hansard*, I must say that I was gratified by their support and their acknowledgement of the fact that this inequity should be removed.

I was gratified by the remarks of the hon. member for North York (Mr. Danson) who stated, as reported at page 6316 of *Hansard*:

What we are looking at is the process of examining our tax structure and the hon. member's notice of motion, I think, should be given very serious consideration.

I want to thank the hon. member for those remarks because I think throughout the debate the spirit and the intent of my submission has drawn support from both sides of the House.

However regretfully, that is about as far as the government members went. They agreed that the act was discriminatory, that it was inequitable. They agree that something should be done. They agreed that the resolution was, in fact, meritorious. However, they then proceeded to cite numerous reasons, all of which were superfluous, which in their opinion, would make it difficult to incorporate the substance of the resolution into the act. The solution they offered in their submission was the rapid implementation of the Benson white paper on tax reform which, I submit, does not even render the slightest acknowledgement to problems which this resolution sets out to overcome.

At this point in time we have not seen the legislation which has continued to emanate from the proposals for tax reform. Judging from the committee reports of the House of Commons and the other place, together with the remarks of the three hon. members opposite who spoke last year during the debate on this resolution, I am fairly well convinced that the new legislation will give absolutely no consideration to the object of my submission.

I may also say that in my opinion, contrary to the opinions of hon. members opposite who spoke on this resolution, the white paper offers no solution to the discriminatory aspects of the Income Tax Act that is contained in the resolution which has been introduced. As a matter of fact, it completely disregards the subject matter which I hope this resolution will overcome. I am not going to reiterate or cite the numerous reasons for the introduction of my resolution and, of course, the logical need for incorporating such a measure. All hon. members who spoke supported the principle and the intent of the suggestion, but had reservations about the manner in which I proposed it might be incorporated.

I believe that the hon. member for Comox-Alberni (Mr. Barnett) pointed out a valid observation in his presentation when he suggested that the Governor in Council did not have the power under the Income Tax Act to amend the regulations to incorporate the purpose of my notice of motion. He further stated that, in his opinion, in order to accomplish the purpose of this motion an amendment to the act would be required rather than to the regulations. He referred specifically to section 5 of the Income Tax Act.

I thank the hon. member for his submission and also for the fact that he was not quite as cynical as the hon. member for Calgary South (Mr. Mahoney) when he placed his support and his evidence before the House. I must say that the hon. member for Calgary South spoke in such an authoritative and critical manner that any sympathy he may have felt for the notice of motion was completely obscured. What I want to do today is outline specifically the relative ease with which this motion could be adopted and incorporated into the regulations by the Governor in Council under the authority of the Financial Administration Act.

Under section 22, subsections (1) and (2), of the Financial Administration Act, the Governor in Council can effectively amend both the Income Tax Act and the regulations. Those specific subsections of section 22 read as follows:

Income Tax Act

22. (1) The Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest, may remit any tax, fee or penalty.

(2) A remission pursuant to this section may be total or partial, conditional or unconditional, and may be granted—

The subsection goes on to cite three specific ways in which this may be granted. I wish to refer specifically to subparagraph (c), which reads:

in the case of a tax or fee, in any particular case or class of case and before the liability therefor arises.

If we apply this provision we shall see the result is that, notwithstanding the provisions of the Income Tax Act or any regulations thereunder, the Governor in Council can by Order in Council legally amend, revoke or render invalid the provisions of the Income Tax Act or the regulations thereunder in respect of any case or class of case before the liability under the Income Tax Act arises. Therefore, the Governor in Council could immediately for the taxation year, 1970-71, and for that matter any subsequent years or past years, extend the deduction presently allowed to self employed professionals, tradesmen and workmen who, by reason of their duties, are required to incur capital costs because of their particular type of work. This, I submit, can be done without any change in the statute, and it would be in harmony with the public interest, simply by remitting by Order in Council the tax which would otherwise be payable.

There are numerous precedents to substantiate this procedure. One merely has to look at the Public Accounts. I am referring specifically to Volume 2 of the 1969 edition. If one examines this Volume one will see examples to prove that this method has been used on numerous occasions and continues to be applied with relative ease. May I add here, also, that this is done with very little public attention, and little regard to the utilization, appropriation or misappropriation of public funds.

If we look at page 27-4 of the 1969 Volume 2 edition of Public Accounts, we shall find a review of all the motor vehicle companies which failed to live up to the terms of the Canada-U.S. Auto Pact and which were subsequently granted remission of customs duty and sales tax on certain motor vehicles, parts and accessories. We find that American Motors (Canada) Ltd. was granted $3 million approximately; Mack Truck Manufacturing Company of Canada Ltd. was granted $1,373,000 approximately, and that International Harvester Company of Canada Limited, was granted $3,747,000 approximately. Then, we come to a huge remission. Ford Motor Company of Canada Limited was granted $100,528,394. It seems strange and conspicuous that one of the most ardent promoters of the auto pact, Ford Motor Company, was the first company to fail to live up to the terms of the Canada-U.S. Auto Pact. I submit that it is certainly the company that can be charged with the highest degree of guilt in confiscating Canadian funds. It is quite obvious that the government has acquiesced in what has happened and accommodated the company, and that the government has allowed its powers to be "superimposed" by those of the Ford Company. I submit that if that does not mean special status, then the auto pact is not a reality.

[Mr. Mazankowski.]

Let us look at other examples of the government's utilization of the power under the Financial Administration Act. Under the category of "other remissions" on page 27-23, we find income tax remissions granted under "class of case" rather than to individuals. For instance, P.C. 1968-832, of April 30, 1968, authorized the remission of the amount of tax or penalty payable by any person under Part III of the Income Tax Act on interest on first mortgage bonds issued by Churchill Falls (Labrador) Corporation Limited. On that same page we can see a classic example of the retroactive powers of the Financial Administration Act. These are spelled out in instrument No. P.C. 1969-16/151 of January 28, 1969, which authorized the remission of income tax, interest and penalties to certain members of the Hutterian Brethren Church for taxation years 1961 to 1967. The rest of the notation under that item reads:

A study concluded that where the land and other assets, also profits arising from farming or other activities, are registered or held in the name of an incorporated company as nominees for the common use of each and all of the members, such colony or corporation is not taxable under the Income Tax Act but each member of a colony must include on his income his share of the profit attributable to the farming or business activities carried on by the colony of which he is a member. In the past, the majority of the members of the Hutterian Brethren Colonies did not apply for and did not receive payments under the Family Allowance Act and the Old Age Pension Act to which they would have been entitled if they had applied. The portion of income tax and interest that would otherwise be payable by the members based on the foregone amounts of family allowances and old age pension is therefore remitted, also penalties for late filing income tax returns for the years 1961 to 1966.

I submit that these two examples clearly illustrate that an accommodation, as suggested in the notice of motion, could easily be made under this act. That would avoid the discrepancies and inequities that are inherent in the present situation.

May I cite other examples of remissions, to be found at page 27-23. Some notable individuals are listed there. For example, we find the name of Mr. Lucien Saulnier. The notation reads:

P.C. 1968-15/2101, November 19, 1968, authorized the remission of income tax and interest paid in respect of the 1963 taxation year. It has now been ascertained that income tax and interest in the above amount were levied in error by a re-assessment issued in 1964—

That remission was $8,424. There is another one involving a gentleman by the name of Mr. Ivan Head, who is now a special advisor to the Prime Minister (Mr. Trudeau), as follows:

• (5:10 p.m.)

P.C. 1968/1189, June 28, 1968, authorized the remission of income tax applicable to 1967 and 1968 taxation years payable by Professor Ivan Head on $120 per month living allowance paid to him under the terms of an agreement with the Minister of Justice in connection with a special study of the Canadian Constitution.

With these examples, Mr. Speaker, I say to those members on the government side who were sympathetic to my resolution but who tried to confuse the issue that whether we set out to amend the regulations, or in fact the act,

the government does have the power to carry out the intent of my resolution under the Financial Administration Act. It is nonsense to suggest that the government cannot undertake to incorporate into the regulations the provisions of the resolution I have submitted for the consideration of the House. The government can undertake to incorporate my resolution, if it so desires. All it needs to do is seriously consider my proposal. I suggest to them that if they have any doubts perhaps they might be wise to consult with the Prime Minister or his special advisor, Mr. Ivan Head, as to the validity of my proposal.

It is in a spirit of genuine concern for those workmen who, as I have suggested, are being discriminated against under the provisions of the Income Tax Act that I again introduce this motion with the hope that all hon. members will endorse it and that the government will immediately and effectively act upon it. Then, the principle of fair and equitable taxation may, in fact, become a reality at least for this category of employees. I might add that after having tested the feasibility of such a remission in this present tax year, and perhaps subsequent years, the government might very well make the remission permanent by an amendment to the Income Tax Act.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Battleford-Kindersley (Mr. Thomson)—Consumer Affairs—Request for investigation of spread in pork prices; the hon. member for Yorkton-Melville (Mr. Nystrom)—Youth—Cancellation of conference sponsored by Canadian Council on Social Development.

PRIVATE MEMBERS' NOTICES OF MOTION

INCOME TAX ACT

REQUEST FOR AMENDMENT TO PERMIT DEDUCTION OF COST OF TOOLS IN CALCULATING TAX

The House resumed consideration of the motion of Mr. Mazankowski:

That an humble Address be presented to His Excellency praying that the Governor in Council will amend the regulations under the Income Tax Act whereby the deduction in computing income allowed self-employed professionals, tradesmen and workmen in respect of capital costs of tools necessary to their trade and similar property be extended to all professionals, tradesmen and workmen, whether self-employed or otherwise who must purchase themselves such property in the course of their employment.

Income Tax Act

[*Translation*]

Mr. Aurélien Noël (Outremont): Mr. Speaker, in the first place, I am sorry to say that I do not agree with the hon. member for Vegreville (Mr. Mazankowski) who thinks that the new act will not take into account the existing injustices in the old act, and that nobody seems to care. I think that his assertion is spiteful and should not appear in *Hansard*.

I do not agree either with the statement he has just made about Section 22, i.e. that the Governor in Council can amend the Income Tax Act in any of the circumstances he mentioned.

He has done a good, not to say exhaustive job to find particular cases. I commend him for looking into all those documents and finding innumerable particular cases, but one has to refer to the act, after all, and the act is clear about this.

Section 5(1) of the Income Tax Act, which lists some items that must be included in computing income from an office or employment and some items which may be deducted, provides that there can be no other deduction of any nature.

One must distinguish between an office and employment, and income from property or a profession, from a trade or business.

The distinction is absolutely vital when the taxpayer is computing his income tax. In this respect, the Income Tax Act is exceedingly restrictive, if I may say so.

Section 12(1) of the act provide that:

In computing income, no deduction shall be made in respect of
(a) an outlay or expense except to the extent that it was made or incurred by the taxpayer for the purpose of gaining or producing income from property or a business of the taxpayer,

The act marks the difference between "wages" and "income", between "wages" and "fees", between "wages" and "income from property or a business", and this is very important.

There are doubtful cases and only in such instances is the Governor in Council allowed to give the benefit of the doubt to a taxpayer who has apparently been wronged.

[*English*]

Mr. Mazankowski: What was doubtful about the Ford Motor Company?

[*Translation*]

Mr. Noël: That is exactly the case. It comes within the scope of a policy to assist a concern which needed to create employment in a region of the country. This again is a special case.

With your permission, Mr. Speaker, I would like to proceed as I have several points to make. In view of the clearly established regulations concerning deductions, officials of the Department of National Revenue do not have authority to allow a worker to deduct the cost of his tools or a lawyer in receipt of a salary to deduct certain expenses.

A physician employed by a firm or an insurance company is not authorized to deduct the books or instruments he needs. These expenses are supposed to be paid by the insurance company or the firm employing him.

• (5:20 p.m.)

There are rather subtle distinctions to be made, in the Income Tax Act, and it is the Regulations, that have been established over the years that enable the taxpayer to interpret the act accurately in such cases.

Also, not only are the Income Tax Division employees not authorized to allow certain deductions of this type, but even the Governor in Council is not authorized to enact a regulation authorizing such deductions because the act clearly says that no deduction other than those specified will be allowed.

I believe the Income Tax Act should be amended by Parliament because it alone has the right to do so.

I have been hearing for some time in the House that the act is what the government makes it, which is not true. The government is obliged to administer act as edicted by Parliament.

Consequently, to implement the proposed motion, Parliament should pass legislation. That is exactly what the government is proposing to the Canadian people. In fact, since 1962, it has tried to correct the many deficiencies which are to be found in the Income Tax Act. And this is what can be read in paragraph 1.2 of the white paper:

> For most of this decade the strengths and weaknesses of the income tax system have been studied closely and debated vigorously. Widespread recognition of defects in the system led in 1962 to the appointment of the Royal Commission on Taxation, with the late Mr. Kenneth Carter as chairman. In its monumental report published early in 1967—

—five years later! For five years, the possibility of improving the Income Tax Act was under study—

> —the commission made serious criticisms of the existing law and proposed some fundamental changes. A vigorous public debate arose over the commission's report and the government received many letters and briefs concerning it.

If one wishes to read some interesting matter, one can read the briefs prepared by individuals, big companies, small companies, finance companies. Some were trying to throw discredit on the Carter report, others approved of it in part and I know of only one who was in favour of the whole report.

That being the case, the new government got busy looking for some other means of amending the Income Tax Act and of making it more humane, more just.

Therefore, after thorough studies and in the light of the sound principles outlined in the Carter Report, the white paper was drafted based on the following philosophy, and I quote:

> Let us look at the main points to be met:
>
> Canadians in the lower income tax brackets face a heavy total tax burden.

This answers the argument of my hon. colleague. An effort is being made to relieve the fiscal burden of the small taxpayer. I continue the quotation:

> In recent years sales taxes and property taxes have been increased substantially. Where changes in the income tax can provide relief, it must be given to those with lower incomes. The government proposes increases in the exemptions to ease the burden on these individuals and families.

Mr. Speaker, the hon. member for Vegreville will be pleased by this: We aim at easing the tax burden of small taxpayers, because they cannot deduct certain unavoidable expenses. To remedy the situation a new bill will soon be put, I hope, before Parliament, and not before the Governor General in Council, and the hon. member will then have the right to make himself heard.

There is another most important thing: we want to stop the abuses committed concerning the Income Tax Act. I keep on quoting from the white paper:

> Important forms of income and benefits escape taxation. The government proposes to bring them into taxable income.

In particular, a tax on capital gains is proposed. Some people spend their life consulting with experts so as to achieve, instead of an income, a capital gain which, according to the present Income Tax Act, is not taxable. Capital gains are not taxable, and it is proposed to remedy this situation. I keep on quoting:

> Wage earners are unable to deduct many legitimate expenses from taxable income. New deductions would be introduced to benefit employees and working mothers.

The answer to the motion under consideration has appeared in the white paper since November 1969. We are therefore partly acquainted with the government attitude, as stated in its white paper.

Now, to be more specific let us see what the white paper says in connection with employment expenses. Paragraphs 2.10, 2.11, 2.12 and 2.13 make clear what are the objects of the white paper, even if they are not flawless. The authors address the taxpayers in the following terms: Gentlemen, we wish to correct some deficiencies of the present Income Tax Act, but at the same time we do not intend to create new abuses. This is precisely the difficulty.

We have asked ourselves if we should accept as allowable expense any cost incurred by a laborer, such as the purchase of tools as well as the depreciation on them. What would then happen? Tradesmen would continually ask accountants to compute the depreciation on their immobilized assets for their income tax return. Such a procedure would needlessly complicate things.

So the simple rule contained in the white paper was decided upon. It is not the present law which could be criticized leisurely. The white paper says that it was concluded it would be better to allow these tradesmen a deduction of 3 per cent of their annual income. That was the best proposal for the time being and the people could be given the opportunity of expressing their views.

Here is what some people said. I shall quote only a few because the Committee on Finance, Trade and Economic Affairs spent the summer reading briefs. We know for a fact that some are opposed to the 3 per cent deduction up to $150.

There were numerous briefs about employment expenses. I shall read excerpts of a few that criticize, some quite severely, the new fiscal proposal.

For instance, let us take professional engineers who incur expenses in the practice of their profession. Here is what they say:

Although we welcome the proposal, we feel it is inadequate.

I understand that; I would dearly like to pay little income tax.

The costs to the members of the liberal professions often exceed the maximum deduction allowed of $150.

I quite agree.

• (5:30 p.m.)

It is recommended that the 3 per cent maximum of the net income be retained, but that the limit of $150 apply only when it is not supported by proper receipts.

If a carpenter bought $500 worth of tools, every year he has to figure out the depreciation on each tool and jot it down on a piece of paper. Then, at the end of the year, he tells himself: I have to produce receipts. Does he have time to think of keeping his receipts? He has time to work, to earn a living, but not for accounting. Let every man stick to his trade, and the cows will be well looked after.

I shall now deal with the brief of the Canadian Institute of Chartered Accountants. I feel they are well qualified to express an opinion on the question.

The brief of the Canadian Institute of Chartered Accountants reads as follows:

It would be useless to authorize or force taxpayers to seek deduction for different expenses connected with their employment, because the administrative difficulties involved would far outweigh the slight increase in fairness which would result.

In another paragraph it is recommended to find some empiric scheme to allow small workers, small tradesmen who work for somebody else to deduct a certain sum of money which can be cumulative.

If one can deduct $150 a year for tools, in five years one will have quite a chest of tools.

The provisions of paragraphs 2.10, 2.11 and 2.12 are fair. I see nothing but fairness there.

One can read the following:

The commission recommended that expenses be deductible from wages or salaries if "reasonably related"—

This is the key word:

—"reasonably related"—

In the implementation of the Income Tax Act, one may find all kinds of abuses. Some are really deliberate but others are due to absent-mindedness or ignorance. That is what the law wishes to avoid by using a fixed term. That fixed term could be changed according to the comments on the part of the various public and private corporations, individuals, the Bankers' Association and other bodies. Only a few made recommendations, like the Canadian Conference of the Arts, the Canadian Bankers' Association and the Canadian Welfare Council. According to the latter, the method is good and could perhaps be improved somewhat.

The Canadian Bar Association, the Government of Ontario and the Canadian Chamber of Commerce also voiced their opinion.

To summarize my thought I shall say that the legislation is not made but it is being made. Everybody will have a chance to express his opinion in this regard. Its object is to protect the small wage earner. That is what my dear colleague was referring to when he spoke of the possibility of amending the law through regulations enacted by the Governor in Council.

The motion is not complete because it does not indicate clearly whether the proposed deduction would be granted as to the cost of all tools bought by individuals in the course of their employment or if it would be granted only in cases where the individual is not repaid for such costs by his employer. It should be more precise, should it not? Legislation must be clear, because people will give it different interpretations.

The Governor in Council, as I just said, cannot amend legislation through regulations if the question was not examined by Parliament.

Finally, why should such a motion be presented when we are in the process of amending the law with a view to improving the plight of the weak and to making the law more human?

[*English*]

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the notice of motion standing in the name of the hon. member for Vegreville (Mr. Mazankowski) is one that deserves very serious consideration by the House, perhaps at this time particularly when we understand that before long the Minister of Finance (Mr. Benson) will be bringing in amendments to the Income Tax Act and advocating them as reforms of our tax laws. The subject matter of this motion has been discussed at length in the House for a number of years. If the Minister of Finance fails to act on this kind of suggestion, then as far as I am concerned he will not be moved very far in the direction that I think should be apparent in necessary reform of the Income Tax Act.

The motion of the hon. member suggests that tradesmen and workmen who require, as necessary to their employment, certain tools should be in the same position under our tax laws whether they are self-employed or work for wages or salaries. This is a subject I have been raising in one way or another in this House since I first became a member in 1953. I have made various attempts to amend income tax proposals by the government. Most of my amendments have been ruled out of order by Mr. Speaker on the ground that they would affect the balance of ways and means and, therefore, could only properly be introduced by a minister of the Crown.

I would remind the hon. member for Vegreville that among past Ministers of Finance I have had the experience of pleading with Hon. Donald Fleming, who became Minister of Finance after the 1957 election and, more

recently, the late Hon. George Nowlan who was Minister of Finance at the end of the period of Conservative rule. My pleadings fell on ears as deaf as the ears of Ministers of Finance including Hon. Walter Harris and Hon. Walter Gordon. However, one can always hope, and we welcome the fact that today various sections of the community are in favour of such an amendment to the Income Tax Act. It is being accepted by hon. members no matter where they sit in the House. I recall being greatly encouraged on one occasion when a group of members who now sit in the House under the title Ralliement Créditiste spoke during a debate I had initiated. Several members of that party rallied in support of this idea.

The hon. member's motion does not encompass the whole area of what I consider to be a basic discrimination under section 5 of the Income Tax Act. It leaves out the question of travel costs over long distances necessitated in respect of people who must travel to work from their residences. It does not cover the extra costs incurred by many married men who have to maintain a regular domicile as well as pay the cost of room and board out of their pockets while away from home.

This matter deals with deductibility of expenses incurred in purchasing tradesmen's tools and it is an important element in the discriminatory situation existing between self-employed and those who receive wages or salaries. One point I should like to make—and I hope no one sitting on the government side of the House will have illusions in this regard—is that the proposal which was in the White Paper, suggesting that there be a flat $100 deduction for expenses of working people on wages or salaries, is not by any stretch of the imagination an answer to this problem. When the Minister of Finance brings in his proposals for changes to the Income Tax Act, I hope he will not be bringing in that proposal from the White Paper, arguing that it is the answer.

• (5:40 p.m.)

I have submitted before in discussions in this House on the White Paper proposals that that particular proposal, far from removing the inequity referred to in this resolution simply creates a new one. In other words, it creates an inequity between those employed for wages and those self-employed, and leaves out of consideration the whole question of whether a particular workman or group of workmen who incur expenses in the course of earning their living incur expenses which go beyond those which everyone incurs in the ordinary course of living, that is, expenses for food, shelter, clothing, and so on. This aspect of our lives presumably is the aspect that is dealt with under the basic income tax exemption, however inadequate it may be. The principle is that there are basic expenditures which everyone has if he is to survive and this portion of the cost of living should not be subject to income tax.

Here, however, we are dealing with an entirely different area. I am sure, because of his motion, that the hon. member for Vegreville agrees with me that the source of the income should not be the factor which determines whether or not an expense is incurred in the course of earning a living. This is where the Income Tax Act, in particular section 5, makes an outright discrimination against all people who are not self-employed, because it sets out very specifically that certain deductions, and these only, may be made from taxable income and makes it impossible for anyone in a trade or profession who is employed for a salary or wage to deduct as an expense incurred in making his living expenses which are perfectly acceptable for persons who are self-employed.

One might take the situation in respect of doctors and, in certain instances, in respect of teachers. One could go over the whole ambit of occupational interests of the Canadian people and find cases where this type of discrimination exists because the deductibility of expenses is determined on the principle of the source of the income, rather than on whether the expense is necessarily incurred in the course of earning that income.

I hope the fact that this motion has come forward for discussion this afternoon will not go unnoted by the Minister of Finance in particular and by other members of the House, so that with this debate as a background we can assess in respect of this aspect of the matter at least the amendments to the Income Tax Act which the Minister of Finance has said he intends to bring forward.

Mr. Deputy Speaker: The hon. member for York North (Mr. Danson).

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, first I wish to thank you for referring to my constituency as York North. My hon. friend from Vegreville (Mr. Mazankowski) referred to it as North York. North York is a municipality and York North is one of the finest constituencies in this land. It is like referring to the hon. member for Vegreville as the hon. member for Ville Vegre. I suppose members on the other side of the House do get things backward at times.

I am delighted that the hon. member has again brought forward this motion. We discussed it briefly during the hearings in respect of the white paper on tax reform. Some of us who were involved in those hearings were delighted to have the opportunity to discuss this matter in order to amplify our thoughts. This is one area the committee did not find particularly controversial. I should not deal with the legalities of the motion because these were dealt with ably by my colleague from Outremont (Mr. Noël).

There are probably all sorts of interesting stories one could relate in respect of the Financial Administration Act, and I would be glad to discuss some of them over a Coke later with the hon. member. We are talking about a matter that was discussed in considerable detail. We tried to arrive at the fairest solution, as the hon. member for Comox-Alberni (Mr. Barnett) stated and has been stating since 1963. He is probably a man well ahead of his time. As I said, this matter was discussed at the hearings of the Committee on Finance, Trade and Economic Affairs. It is a fact that some people must have books and typewriters, and Members of Parliament have numerous expenses none of which are deductible.

Mr. Speaker, I should like to refer to the report of the Committee on Finance, Trade and Economic Affairs relating to the white paper proposals on tax reform. I

refer to sections 2 to 15, but more specifically to sections 2 to 13. A general deduction for employment expenses at 3 per cent of gross employment income up to $150 is proposed. We heard a great deal of comment on this. I should not say a great deal of comment; we heard from many people but it was not highly controversial because we tried to arrive at something fair and reasonable. The comments which appear on page 16 of the committee's report are as follows:

It has long been recognized by taxpayers, and by the courts—both here and in Britain—that discrimination exists in the tax system against employees in the matter of deductible expenses. The self-same expenses are often deductible where a person is self-employed and not deductible where he is an employee; the height of absurdity is reached when one person acts in both capacities and receives different tax treatment for the same expenses.

Recognition by the government of this discrimination, through the white paper proposal to allow employees a certain measure of relief, has been generally welcomed.

I believe that has been inspired by members of the House on all sides, such as the hon. member for Vegreville, or the hon. member for Ville Vegre.

Its form, however is open to criticism. Some briefs have pointed out that the maximum of $150 a year is too much for some employees and too little for others. Those who do not in fact incur many, or any, expenses would benefit unduly; those who incur more than $150 would be unjustly penalized.

The ideal solution would be for all employees to submit detailed and authenticated claims, but the problems of administration and compliance that this would involve, and for very little result, seem to rule this out and to make some flat allowance, based on a percentage of gross earnings and with a ceiling—as proposed in the white paper—the only practicable way to deal with the majority of employees.

There seems to be no valid reason, however, why those who have higher expenses should not be permitted to itemize and claim them, if properly substantiated. Since it seems likely that relatively few employees would avail themselves of this, the administrative burden would probably not be unduly heavy—probably not nearly as heavy as that involved in handling the claims of the self-employed—and justice would be done. Most briefs have advocated that this choice be given.

• (5:50 p.m.)

It may be noted that in the United States employees may itemize and claim deductions of all "ordinary and necessary" expenses in the same way as the self-employed. Employees are still not quite as generously treated as the self-employed, however. The self-employed may deduct all "ordinary and necessary" expenses from gross income in arriving at "adjusted gross income", and take the standard deduction as well, while employees may deduct from gross income only expenses in four specified categories—reimbursed expenses, travel expenses away from home, transportation expenses and expenses of outside salesmen—and must then take either the standard deduction or their itemized expenses.

However, the United States law does recognize the basic principle that an employee has a right to deduct ordinary and necessary expenses incurred in carrying on his work.

We note that the revenue cost of the white paper proposals to allow the employees' general deduction, moving expenses and others amounts to 235 million. We therefore hesitate to suggest that employees' deduction should be broadened. We recommend, however, because the principle is one of equity, that this be considered as soon as revenue needs permit, and employees given the option to itemize, substantiate and claim deduction of all expenses "laid out or incurred for the purpose of gaining or producing income", in the same way as the self-employed now do under section 12 (1) (a) of the Income Tax Act.

That is the recommendation. The recommendations of the committee of the other place, as they appear at page 53 of their report, items 5 and 6, simply concur without comment with the recommendation and proposals which are on page 16. Those are the findings of the committee, after much study.

A great Talmudic scholar once said that to understand the Bible you have to understand the golden rule, and the rest is just commentary. My submission is that we understand the intent of the white paper proposals and that of the report of the committee. We can comment indefinitely because we really had to strike a balance between trying to achieve equity and maintaining the necessary revenue. The revenue consequences are serious indeed. In effect, we are suggesting that what appeared to be a highly acceptable proposal to those who appeared before the committee be implemented when the tax reform proposals are implemented in the House, and if and when revenue consequences permit that this principle be extended further.

We recognize the immense administrative burdens that this could cause. On the other hand there was a case for equity. I recall quite vividly, and probably so do my colleagues in the committee many of whom are here in the House today, trying to define what is a fair figure if we had to hit an average figure for purposes of balance in our report so that the majority of the people would be properly protected under this provision and it is different from general expense deduction, that is, 3 per cent of income up to $150. I was satisfied that it was equitable and perhaps even overgenerous, using the term generous in the more technical sense, than in most cases where tools are purchased; and I have had experience with this.

It is not perfect by far, but in the majority of cases it is adequate and fair. I think that is the most we can hope to achieve. Perhaps we strive for perfection; but like all ideals, you strive for it and perhaps never achieve it. I think we had to strike a reasonable balance and that in this proposal we achieved it, not only because of the many submissions put before us but because of the submissions made by hon. members such as the hon. member for Vegreville and the hon. member for Comox-Alberni. I could go on further but there are in the House today colleagues of mine who served on that committee and I think it would be wise if they were given an opportunity to express their views on this worth-while motion.

[*Translation*]

Mr. Jacques L. Trudel (Bourassa): Mr. Speaker, I have carefully listened to the motion of the hon. member for Vegreville (Mr. Mazankowski) who is arguing that we should amend the Income Tax Law, with a view to meeting a genuine need, through the governor in council.

Some procedure, which has certainly been discussed by my colleagues, is under completion.

A moment ago, the hon. member for Comox-Alberni (Mr. Barnett) said that he has been presenting similar motions to the House since **1953.** The member for Vegre-

ville referred to a motion which he has again moved. I suggest that the procedure they have chosen to follow was not the right one and that we should rather support the government's proposal. Surely this request is legitimate and deserves special attention.

I would like to emphasize, as my colleague for Outremont (Mr. Noël) said previously, that the hon. member, to support his motion, has been resorting to the rule of exceptions rather than speaking about the substance of the motion. In a lengthy speech, he has been referring to exceptional cases and I think that, by so doing, he has very much jeopardized his position.

The hon. member for Outremont has quite masterfully explained the Income Tax Law. He has quoted sections 4 and 5 of the law. Moreover, he has alluded to section 12. I do not want to repeat what he said, but I should stress that he has demonstrated quite scientifically indeed how the Income Tax Act applies and how it must be amended.

Now he referred to the submissions heard by the committee. I must point out that these submissions were not unanimous in their contentions. Some people were entirely agreeable to the provisions of the white paper. Others however, members of totally different professions, spoke of both independent workers and employees who eventually become employers.

The Acting Speaker (Mr. Richard): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair.

[*English*]

I have been sitting here for many weeks during private members' hour and have enjoyed very much listening to hon. members who have spoken. Perhaps they are the best debaters in the House. May I repeat what I have said previously, that it is unfortunate that certain debates have to be sandwiched into one hour.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

STATUTORY INSTRUMENTS ACT

PROVISION FOR EXAMINATION, PUBLICATION AND SCRUTINY

The House resumed consideration of Bill C-182, to provide for the examination, publication and scrutiny of regulations and other statutory instruments, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: Order. I believe that just prior to 5 p.m. it was agreed that motions Nos. 3 and 4 would be debated as one question and that votes would be taken separately if requested or required. The motions will now be put. Mr. Baldwin, seconded by Mr. Bell, moves motion No. 3 as follows:

That Bill C-182, an act to provide for the examination, publication and scrutiny of regulations and other statutory instruments, be amended by deleting therefrom clause 26 at pages 12 and 13 and substituting therefor:

"26. (1) Every statutory instrument issued, made or established, other than an instrument the inspection of which and the obtaining of copies of which are precluded by any regulations made pursuant to paragraph (*d*) of section 27, shall stand permanently referred to a committee of the House of Commons, of the Senate or of both Houses of Parliament that shall be established before the coming into force of this act for the purpose of reviewing and scrutinizing statutory instruments.

(2) The Standing Orders of the House of Commons that are applicable to a standing committee of that House shall apply to the committee established under subsection (1).

(3) Where a statutory instrument stands referred to such committee, the committee has, in respect of such statutory instrument, the power to recommend that the same be approved, varied or repealed."

Mr. Lambert (Edmonton West), seconded by Mr. Fairweather, moves motion No. 4 as follows:

That Bill C-182, an act to provide for the examination, publication and scrutiny of regulations and other statutory instruments, be amended by renumbering clause 26 thereof as 26 (1) and adding the following:

"(2) The said committee further shall have the power to recommend by way of report to the House of Commons the amendment, replacement of annulment of any statutory instrument referred to it.

(3) In the event that the said committee should in any report recommend the amendment, replacement or annulment of any statutory instrument such report shall be brought on for consideration in the House of Commons within fifteen sitting days after the tabling thereof in the same session, if such be possible, or within the first twenty sitting days in the next session following and any debate thereon shall continue subject to the Standing Orders of the House of Commons, until the report shall have been finally disposed of."

As I have indicated, the discussion will take place on both motions, Nos. 3 and 4, at the same time.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I see the Parliamentary Secretary to the Minister of Justice (Mr. Béchard) is here and the Minister of Justice (Mr. Turner) is coming in. I am glad to see him here also.

Mr. Turner (Ottawa-Carleton): I would not miss it.

Mr. Baldwin: I am particularly glad to see the minister here because earlier in the discussion on the motion put by the hon. member for Edmonton West (Mr. Lambert), when I was emboldened to point out that in my opinion the bill is a very skimpy edition of the proposals and recommendations contained in the report of the committee, the minister looked at me silently and reproachfully as if he were not ready to give much credibility to that statement. I could understand that coming from any other minister, but I think the Minister of Justice has read the committee report and I am convinced he will accept the fact that the bill is but a weak and puny version of the very reasonable and substantial recommendations made by the committee. I would have expected that kind of reaction from some of his colleagues who embrace the worst characteristics of the politician and civil servant combined—

Mr. Knowles (Winnipeg North Centre): How many are there in that category?

Mr. Baldwin: I am not on the roster to answer questions today, otherwise I would. But I am sure the smelling-salts would have been brought down from their resting place in the cabinet room when the report of the committee was first circulated and read, because it contains recommendations and proposals which, while not going as far as I or some of my colleagues would have liked—those in my party and in the NDP—nevertheless it did make a very substantial beginning in dealing with this problem which we in Canada have neglected for a great many years.

I think on that point we can all reach agreement, Mr. Speaker. Other jurisdictions have dealt with it—the United Kingdom, the U.S., Australia, New Zealand, and so on—but in Canada we have not done anything about it. So when the committee laboured and finally produced what I thought was a pretty good report, I wondered how far it would get in cabinet and in the senior ranks of the civil service. Obviously there are recommendations in it which must be repugnant to senior civil servants for many years—I do not say this uncharitably and unkindly—have been used to having their own way, when it comes to the enactment of regulations and Orders in Council, without too much challenge in this House or in Parliament. I fully expected that some of the minister's colleagues who take the same position as civil servants would have felt the same way—but I did not think the minister would. I think he was just kidding me a little when he tried to intimate that so far as this bill is concerned it is a fair and accurate reflection of the committee's proposal.

It is true that the clause in respect of which my amendment has been moved does to a very limited extent follow the proposals of the committee. But I would say, Mr. Speaker, that it was one of those compromises which all committees have to work to achieve. I wanted the committee of scrutiny, which was to be set up by clause 26, to go a lot further in dealing with questions which were thought suitable for discussion and action by a parliamentary committee. But because we in the committee obtained agreement to other things, I was prepared to go along with this clause. As a foundation for my argument I would read the pertinent parts of clause 26 as follows:

> Every statutory instrument issued, made or established after the coming into force of this act, other than an instrument the inspection of which and the obtaining of copies of which are precluded by any regulations made pursuant to paragraph (d) of section 27, shall stand permanently referred to any Committee of the House of Commons, of the Senate or of both Houses of Parliament that may be established for the purpose of reviewing and scrutinizing statutory instruments.

• (8:10 p.m.)

The first point that engages our attention is that there is an exemption; that is the exemption set out in the next clause, clause 27, which deals with regulations that affect international relations, national defence, security or federal-provincial relations. There is obviously a very strong case to be made for a government to be entitled to say that in its opinion as a government the regulations it is proposing to promulgate do have an impact on and concern national security; that in those circumstances there is every reason for the government to exempt the regulations from the need for publication and, I suppose, ultimately from being considered by a committee of Parliament.

Certainly that is not the case with federal-provincial relations. As a matter of fact, if we consider the last two or three communiqués issued by the constitutional conference I can think of very little in those communiqués that would entitle the government to withhold them from the public view. The conference has done so little that there would not be much value in their communiqués and I do not think any parliamentary committee would be very anxious to discuss them. However, this is beside the point. The main purpose behind my motion does not relate to that particular aspect but to what will be the powers of this parliamentary committee. What will the committee have the right to do? What recommendations will it be able to make?

The report of he special committee which was the foundation for this legislation is very interesting. At page 86 of the report there is a very useful observation made about the report of the delegated legislation committee of New Zealand, and also an inquiry into civil rights which I think was brought about by the province of Ontario. I shall read the first paragraph:

> If Parliament is accepted as the sole legislative authority, and if by force of circumstances it must delegate some of its authority to others, then it stands to reason that the public will expect the Parliament to exercise something more than a merely nominal supervision over the work of those to whom law-making powers have been delegated.

I do not think anybody would quarrel with that observation. The second quotation I should like to make from the report of the inquiry into civil rights in the province of Ontario is as follows:

> It is a primary function of the legislature to make the laws, and it is responsible for all laws it makes or authorizes to be made. A failure by the legislature to find some specific place in the legislative calendar for supervision of subordinate legislation is, in our view, a dereliction of duty on its part and a failure to protect the fundamental civil rights of the individual.

Seven years ago this House, through one of its committees, took virtually the same position. The special committee that was charged with the responsibility of looking into the organization and procedure of the House, in a 1964 report made a categorical and unanimous recommendation urging the House—and, I assume, through the House, ultimately the government—to establish what it then called a committee on delegated legislation, which is simply another term for the same sort of committee of scrutiny envisaged in the legislation we are now considering, and giving to that committee very substantial powers.

Although that was the unanimous recommendation of a committee of this House, there was no opportunity to debate it: it was not the subject of any motion in the House. However, the government of the day took no exception to it. Members of Parliament had an oppor-

tunity in debate on collateral issues to commend this sort of approach to the serious problem of delegated legislation. So we have that recommendation made by a committee of the House. I have already read to the House two citations from bodies which examined this matter. In the result I think there should be no question of there being the need of a committee, one with the fullest right to examine delegated legislation and then to make recommendations.

The present clause 26 does not take this approach. Indeed, I look with some suspicion at the proposal contained in the clause 26, which provides that all that will happen is that every statutory instrument issued will stand permanently referred to any committee of the House of Commons, of the Senate or of both Houses that may be established for the purpose of reviewing and scrutinizing statutory instruments. That clause by itself is virtually meaningless and powerless. The reference to the committee may have a very useful and effective aftermath, but standing by itself it is useless. It is like the provisions of the current Regulations Act which provide that regulations shall be tabled. At first blush any innocent person reading that clause would have every reason to believe that regulations were tabled under the provisions of the Regulations Act, that committees and individual members of the House could examine the regulations and make proposals with regard to them, and if they came to the conclusion that the liberties, rights, prerogatives and property of the people of Canada were threatened they could do something about it. But that is not the case.

What will be the situation here? All that will happen is that the President of the Privy Council will from time to time at the commencement of each session table a list of regulations. In fact, he does not even have to table a list; he simply tables a copy of the Canada Gazette—the legality of which is now in doubt—which copy makes reference to a number of regulations. Nobody pays any attention to them. If an individual Canadian suffers damage and goes to his Member of Parliament or to a lawyer, he will find he has no chance to do anything to correct the situation. This is why it is not enough for the House to accept the present wording of this clause.

This sort of thing is not done in other jurisdictions. I admit that in Australia there is a committee of the Senate which I think makes a reasonable effort to examine proposals. I notice that in considering this point and what to do about it, the special committee was inclined to place too much faith in some comments made by the political scientist Bernard Crick, who in effect said, "Well, I don't think we want to go to the public. We don't want to challenge the government and we certainly don't want to put the government in danger". Consequently, he made what I think is a rather anaemic proposal in regard to what to do about this question.

In the United Kingdom I was able to observe the committee of scrutiny in action while I was over there several years ago. I asked for and secured an opportunity of discussing with Sir Robert Speed, as he then was, legal adviser to Mr. Speaker and who acts as special adviser to their committee of scrutiny, and also discussed with the chairman of the committee, Mr. Graham Page, M.P. and with the chief spokesman in the committee for the government, the way that that committee operates. I was invited to and attended two meetings where I observed the committee in operation.

That committee has a very effective way, administratively, of dealing with these proposals. I want to take a couple of minutes to enlarge upon this question since it is covered by my proposals. Sir Robert Speed, the legal adviser to Mr. Speaker, receives from the departments of government various Orders in Council and regulations which are covered by their terms of reference. Obviously, they issue a great many more than we do.

• (8:20 p.m.)

In Canada in the last 13 years we have enacted approximately 6,900 Orders in Council and regulations involving some 20,000 pages of fine print. We have dealt with, on an average, 530 of these a year. The British do a lot more than this. But there these matters are referred to the legal adviser to the committee, who vets them. Often he is able, from his experience and knowledge, to work out with government departments concerned variations, changes, adaptations, amendments and, in some cases, even the withdrawal of the objectionable parts of an Order in Council or the entire Order in Council. Others which in his opinion offend the terms of reference laid down, are referred to the committee.

The committee meets twice a month. I have before me an agenda of meetings of the committee. In one meeting, for example, 42 Orders in Council had passed through this sieve and were being considered by the committee. In another case there were 26. In each of those cases the members of the committee had a copy of the Order in Council complained of, and the comments of Sir Robert Speed. The committee met, and in three or four hours went through the regulations. In 75 or 80 per cent of the cases they were able to resolve the problem and given instructions to the chairman and to the legal adviser. In other cases they made recommendations.

To those who suggest that this kind of task lies beyond the scope of a parliamentary committee of this House which is provided with the proper degree of assistance to examine such Orders in Council I say that they are completely wrong and their notions are misconceived. A committee of this kind, armed and equipped with proper technical aids and with proper people to assist it, could very quickly develop an administrative capacity and a means of handling such Orders in Council. While the task of the committee might be difficult and lengthy, I am sure it would not be impossible. So speaking of the mechanical aspect, it is within our capacity to appoint a parliamentary committee to scrutinize such Orders in Council.

Having scrutinized them, what else should we do? Perhaps before the debate finishes this evening the minister will tell us what the government will be recommending with respect to a parliamentary committee with powers of scrutiny as well as other powers. I would much prefer that this be done now, before the bill passes, so that we know where we stand. I am not suggesting that the rules

should be changed; nevertheless, I think there should be a definite understanding about how far the government is prepared to go in giving these powers and this authority to a committee of scrutiny. Clause 26 of the legislation is not authoritative in giving the committee the powers it should have.

Let us see what the committee had in mind when it brought before the House its third report which formed the basis of this legislation. I can bring this point forward simply and with reasonable expendition by referring the House to page 92 of the report where the recommendations are synopsized and the statements are in fairly clear, precise and limited terms. Paragraph 19 reads:

A new Committee on Regulations should be established, with the following particulars—

Then it lists the various pages of the document where the arguments have been examined and dealt with.

(1) It should be a standing committee of the House of Commons.

I pause here. There was some discussion in committee whether it should be a committee of the Commons or a committee of the Commons and the Senate. I think there is a pretty good case to be made for its being a committee of the House of Commons because its members are elected by the people of Canada. I think the authority should probably lie with them. Yet I would not be unwilling, if it came to a choice, to having members of the other place on the committee because in the other place there is an element of continuity which is sometimes lacking with respect to members of this chamber. There is something to be said for having the committee take up, at the beginning of each new Parliament, where it left off in the previous Parliament and having members on it with experience. However, I am not arguing that point.

(2) All regulations should stand permanently referred to it.

That is to be done under the legislation.

(3) It should strive to operate in an objective and non-partisan way.

Heaven help us, Mr. Speaker! We all try to reach these objectives. Sometimes we do reach them and sometimes we do not. I think a committee of this kind ought to be compared with the Public Accounts Committee which until recent times, when the government so unkindly attempted to change the powers of the committee, the chairman and the powers of the Auditor General, was reasonably objective and non-partisan, usually making unanimous recommendations and approaching issues referred to it in an objective, fair and non-partisan way.

(4) It should have a small membership to enable it to operate effectively.

That is agreed.

(5) To make the objectivity of the committee apparent, there should be some rotation among parties in the chairmanship.

I should like to take a moment to discuss that point. In my view the chairman should be a member of the opposition. In the Australian parliamentary system there is a Senate committee. We must bear in mind that there members of the Senate are selected through an elective process. Although the chairman is a member of the government party, the majority of the committee is made up of opposition members. I would think that the power of the chairman there is balanced by the majority of opposition members on the committee. I think a fair balance can be struck if the chairman is a good member. Nevertheless, I do not think I will live to see the day when this government will establish a committee which will have a majority of opposition members. There may be members on the government side whose views are opposed to that of the government but who are too timid to express that opposition.

Mr. Davis: Never!

Mr. Baldwin: However, I make this suggestion. When we deal with this matter either in the House or in committee, at the very minimum we should make certain that there will be a rotation of the chairmanship as recommended. I still think it will be better if the chairman is an opposition member. That is the custom in the United Kingdom. Mr. Graham Page, now a member of Mr. Heath's government, was the chairman of that committee for many years when other governments were in power. I should like to believe that the chairman of such a committee, which has responsibilities that ought to be above partisan considerations, will for most of the time be a member of the opposition. I continue quoting:

(6) It should normally sit in public session.

(7) It should be empowered to sit while Parliament is not sitting.

An argument was raised in respect of that point, Mr. Speaker. It was said that precedents going back as far as Sir John A. Macdonald's time indicate that there is no legal basis for a committee's sitting after prorogation. We challenged that to some extent, although we did not see fit to make the point a controversial one and bring it before the House. Nevertheless, since members of the House are busy, I think that a committee such as this might sit during some weeks when the House is not sitting, otherwise when it came back after a recess of three or four months it would be faced with a backlog of Orders in Council and regulations. I think that ways and means could be found of doing this. I am making this comment bearing in mind conditions as they are. I know it cannot be done now; I know it is not up to the minister to resolve this legal problem, but it is a matter we should consider.

• (8:30 p.m.)

(8) It should have adequate staff.

I have already dealt with that. I think this is a condition precedent to any measure of success, not only a staff large enough in number but one competent in terms of being able to deal with this question. When the committee has been in existence and has had authority for two or three years with the help of people like this, it will build up a jurisprudence. People charged with the responsibility of assisting the committee will be wise and

reasonably able to cope with civil servants. The right kind of people will be able to prevent many of these issues coming to the committee.

It should examine regulations on the basis of six criteria.

Here I come to the foundation. I simply rest the case for my amendment on the recommendations of the committee.

(9) It should examine regulations on the basis of six criteria:

(a) Whether they are authorized by the terms of the enabling statute.

I do not think anyone will challenge that.

(b) Whether they appear to make some unusual or unexpected use of the powers conferred by the statute under which it is made.

I think that is a provision common to all jurisdictions which deal with Orders in Council through a committee of scrutiny.

(c) Whether they trespass unduly on personal rights and liberties.

Although not from my point of view, there may be some who would argue this. Some jurisdictions accept this principle. Having in mind the extent to which Parliaments are more and more trespassing on the rights, privileges and prerogatives of the individual, this is an absolutely indispensable part of the terms of reference of a committee. The statute might delegate authority to the Governor in Council, a minister or a corporation to take unusual and quite extraordinary action. It may be that they will do so without the government adequately explaining to the House the reasons for it.

There are some instances where these reasons are valid and where the government should have wide and extraordinary powers. However, we must never take away from this House or a committee of the House the right, under special circumstances, to say that when the government acts on the powers it has obtained, the effect of the actions are such as to trespass unduly. I stress the word "unduly".

(d) Whether they have complied with the provisions of the Regulations Act with respect to transmittal, certification, recording, numbering, publication or laying before Parliament.

I will not deal with this point except inferentially. With respect to the Bill of Rights, as I pointed out earlier, there is a case to be made for a committee having the right to examine the issues involved before regulations are promulgated.

(e) whether they

(i) represent an abuse of the power to provide that they shall come into force before they are transmitted to the Clerk of the Privy Council or

That is along the same line.

(f) Whether for any special reason their form or purport calls for elucidation.

In other words, if they are too complicated, if too much gobbledygook has gone into their construction, it may well be that a committee of ordinary members of Parliament will be established to try and simplify them.

[Mr. Baldwin.]

(10) It should have the usual investigative powers of a standing committee.

(11) It should have the same power as other standing committees to report to the House.

20. The Scrutiny Committee should have the power, in its discretion, to refer regulations to other standing committees and that they should then stand referred to such committees for consideration.

That proposal was made because the committee felt that this special committee which is to be established should not examine questions of policy, the drafting and promulgation of an Order in Council. However, if the policy in question were of such a nature that it cried aloud for consideration by this House, we felt it should be referred to the appropriate standing committee charged with responsibility in connection with the particular subject matter. In other words, if the Canadian Transport Commission promulgated regulations dealing with freight rates, as far as their form was concerned they might be perfectly all right. But if the issues of policy went far beyond what the committee felt was reasonable, that question should be referred to the Standing Committee on transport for examination. It would not have the power to set it aside but it could at least make recommendations.

21. Normally Parliament should exercise its power to review by a resolution that a questionable regulation be referred to the government for reconsideration but Parliament should continue to provide, where appropriate in individual statutes, for a procedure by way of affirmative or negative resolution.

There is some provision for that in the bill. Some members felt that the committee should adopt the views of Bernard Crick. They said that the committee need not have the right to refer, vary, affirm or amend. I disagree with that. There should be that right. We have it now. No one in this House can say that by a substantive motion or a motion on an opposition day it is not within the competence of this House to urge and recommend to the government that such and such an Order in Council is repugnant in our view to what is fair, just and proper, and to say that the Order in Council should be set aside, varied or amended. I recognize that this is only a recommendation and is not binding on the government; the government does not have to accept it. At least in such circumstances it would be necessary for the government to defend its stand, and it would be a foolhardy government which would ignore the recommendation.

If the members of a non-partisan, all-party parliamentary committee were to state that in their belief an Order in Council which they had examined fell within the meaning of the words and did "trespass unduly on personal rights of liberties", and recommended that clauses of the regulation should be varied and amended to conform with what they thought was right, I am sure the government would give it very serious attention. I do not think that anyone on the committee who feels as I do would suggest that any recommendations the committee might make would be binding upon the government. However, it would be a very foolish government which would refuse to pay attention to them. My own guess is that there would be very few occasions when it would

happen. It would be extremely rare that a committee of scrutiny would find it necessary to make a recommendation to bring the matter before the House for debate. However, there would be cases when it would be necessary. I strongly urge that the committee's power be reinforced in the statute by declaration of this House along the lines of my amendment. It will have to be further embedded as a result of changes we will have to make in our Standing Orders.

I hope the minister will deal with many of the points I have raised. They are debating points. I frankly state that I have used this motion to make substantial and substantive recommendations. It was an opportunity to put forward my views with respect to this issue. I hope I have persuaded the minister of their valadity and that he will reply to them. He does not look like a hanging judge. He may even be persuaded to say that I am right.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have just listened to a very good Parliamentary speech on a bill which involves the rights of Parliament to supervise and control the executive in a way that we in Canada have neglected over the years. We have allowed, by way of wide enabling powers and statutes, legislation to be delegated to the cabinet, to ministers, to boards, to commissions by way of regulations and other statutory instruments beyond the control of Parliament, beyond the power of Parliament to review and revise and thereby beyond the power of the people to challenge.

• (8:40 p.m.)

I am accepting the invitation of the hon. member for Peace River (Mr. Baldwin) to stray perhaps a little wider than the substance of the amendment because it goes to the very philosophy of the review of Parliament over delegated legislation. With the indulgence of Your Honour, perhaps I can meet his arguments on the terms on which he advanced them.

I believe this bill will provide better controls in the hands of Parliament over delegated legislation, regulations and statutory instruments made by government, ministers and boards. I believe, also, that it will provide a more open government because from now on, subject to narrowly defined exemptions, all regulations will be published in the Canada Gazette and this bill be enforced by means of a mandatory registration system whereby a regulation will not come into force until it is so registered and published.

Second, rules, orders or regulations governing the practice or procedure of federal judicial or quasi-judicial boards and commissions will be subject to the requirements of the new legislation. Third, members of the public will now be given a statutory right to inspect and obtain copies of statutory instruments and regulations, a right which they do not now possess. At the present time the public has no right to see or obtain a copy of any regulation or other statutory instrument having the force of legislation which has been delegated by this Parliament to ministers, to boards or other administrative bodies.

Fourth, a scrutiny committee of Parliament—this is the point upon which the amendment is based—will be given the right to examine all statutory instruments which are made or regulations which are passed. Fifth, the powers given to the Governor in Council to exempt regulations and other statutory instruments from the application of this provision of the bill are very narrowly defined. At the present time there is no restriction placed upon the cabinet or Governor in Council in the exercise of its power to exempt regulations from the obligations imposed by the Regulations Act. Now, the exemptions are narrowly drawn and they have to fit within one of the categories of clause 27 of the bill.

Finally, hon. members will henceforth receive a copy of every regulation which is published in the Canada Gazette. This may be a mixed blessing. It may provoke a further demand for office accommodation, but in any event the regulations will now be available and will be delivered to every Member of Parliament.

An hon. Member: The minister of manpower is smiling.

Mr. Turner (Ottawa-Carleton): The hon. member for Peace River suggested I might have had trouble with some government departments in getting this bill before the House.

Mr. Baldwin: And your colleagues.

Mr. Turner (Ottawa-Carleton): And my colleagues. He is only too right. As a matter of fact, I am sure the only reason the bill is in its present form is the fact some of my colleagues and some of the departments have not fully appreciated what is in the bill. Certainly I have received better treatment in Parliament than I received in back corridor efforts to get this bill on the floor of the House. In any event, I want to answer the hon. member for Peace River and to assure him and this House that the recommendations contained in this committee report, one of the influential committee reports of this Parliament or of any Parliament—the report of the Special Committee on Statutory Instruments under the chairmanship of the hon. member for Windsor-Walkerville (Mr. MacGuigan); a committee which operated in a non-partisan fashion, as I think the hon. member will agree—have achieved almost complete legislative effect. Without going into those recommendations in detail, I want to enumerate them just for the record because, Your Honour, the hon. member has opened this up.

Members are free, of course, to look at the recommendations and the report of the special committee. The recommendations are to be found in summary form on pages 90 to 93 of the report. I do not have to read the recommendations; I can refer to them by number. Recommendation No. 1 was agreed to and is incorporated in the legislation. Recommendation No. 2 was partially agreed to. We had to provide for exemptions from examination, registration, publication and inspection somewhat wider than the committee thought advisable. Recommendation No. 3 was agreed to and is implemented in its entirety. Recommendation No. 4 was partially

agreed to. The definition of "regulation" is amended, but not in the manner suggested by the committee.

Recommendation No. 5 is agreed to. Recommendation No. 6 is agreed to but will not be found in the legislation, of course, because it involves internal directives of the government and will be the responsibility of the Minister of Justice and the Deputy Minister of Justice. Recommendation No. 7 is agreed to. It will not be found in the legislation, but there will be a cabinet directive issued to all ministers directing in future that all enabling legislation should be drafted in accordance with the principles proposed by the committee as acceptable to the government and found in the evidence of that committee in the letter tabled by the former President of the Privy Council, now Minister of National Defence (Mr. Macdonald).

Recommendation No. 8 is such that it cannot be incorporated in legislation. Recommendation No. 9 was partially agreed and it has been accepted in this bill, subject to reservations as to the feasibility of the white paper proposal. Recommendation No. 10 is agreed to and has been implemented already. Recommendation No. 11 has been accepted and agreed to by the government. Recommendation No. 12 has been agreed to and it has been implemented to the extent that regulations will, as a general rule, not come into force until the date upon which they are registered. Recommendation No . 13 cannot be implemented since for practical reasons some regulations cannot be registered and cannot be examined. Recommendation No. 14 in our view is not practicable in the sense that we cannot follow this in terms of a general recommendation.

Recommendation No. 15 is accepted in principle but, for the reasons given by the committee itself, cannot be dealt with in general legislation. Recommendation No. 16 has been implemented in its entirety in this bill. Recommendation No. 17 is implemented in part only for the reasons which were explained before the Standing Committee on Justice and Legal Affairs. Recommendation No. 18 will be implemented to the extent that it is proposed that a copy of part 2 of the Canada Gazette be delivered without charge to every member of the Senate and of the House of Commons.

Recommendations Nos. 19 and 22 relate to the establishment of a committee on regulations and a scrutiny committee. The government agrees in general terms to those recommendations and I will go into them in some detail because they are the ones to which the hon. gentleman has referred tonight. We differ from him in the sense that we believe that those recommendations cannot be incorporated in the statute but that they should be left to appropriate amendment of the Standing Orders or under a special resolution creating the scrutiny committee under the Standing Orders of this House.

Now, Mr. Speaker, I went through that brief recital to illustrate to the House that if members are willing and able to review recommendations of the committee and compare them with the legislation, they will find that the committee report has been adopted in very large measure by the government in the presentation of this bill. What the hon. member for Peace River attempts to do by way of his amendment is to say that not only should we set up a scrutiny committee of this House or, as he admits, a joint committee of this House and of the other place, if that should be the wish of members of the House of Commons, but that in addition there should be two further statutory provisions. This is found in subsections 2 and 3 of his proposed clause 26. First of all, in subclause 2 of clause 26 he suggests as follows:

• (8:50 p.m.)

The Standing Orders of the House of Commons that are applicable to a standing committee of that House shall apply to the committee established under subsection (1).

I suppose that relates to recommendation No. 19, clauses 10 and 11 of the MacGuigan report. Then in subclause 3 the hon. member proposes:

Where a statutory instrument stands referred to such committee, the committee has, in respect of such statutory instrument, the power to recommend that the same be approved, varied or repealed.

We believe, first of all, that it is more appropriate for legislation to deal with general principles of law and for Parliament to decide if that legislation affects the operation of either House of Parliament and for each House to decide how the rules in that particular House should relate to the legislation. We do not believe it is an appropriate procedure to dictate to either House of Parliament how the standing rules of that House should be interpreted under the legislation.

What the government suggests here is setting up by statutory reference a scrutiny committee. We leave it to the House of Commons on the one hand and the other place on the other, or jointly if they should wish to do so, to decide how the Standing Orders should be amended or how the standing or special committees of the House should be fitted within the Standing Orders, along with what the powers of the committee should be. If hon. members are interested in my personal view as to what the power of that committee should be, I too can refer to recommendations Nos. 19 to 23, and I will not be binding my colleague, the government House Leader, who will be presenting the resolution on behalf of the government after consultation with other House Leaders.

I agree with the hon. member for Peace River that this ought to be a non-partisan exercise. We call it a scrutiny committee in the bill. Under recommendation No. 19 of the MacGuigan report it is suggested that this should be a standing committee of the House of Commons. I do not agree with that suggestion. The report then states:

All regulations should stand permanently referred to it.

The bill suggests that. The recommendation states:

It should strive to operate in an objective and non-partisan way.

I could not agree more.

It should have a small membership to enable it to operate effectively.

I agree. Then it says:

To make the objectivity of the committee apparent, there should be some rotation among parties in the chairmanship.

I think that is something the party leaders will want to work out.

The report continues:

It should normally sit in public session.

I agree with this, unless it involves regulations which are exempt because of national security.

Mr. Baldwin: That is why we included the word "normally".

Mr. Turner (Ottawa-Carleton): The next recommendation is:

It should be empowered to sit while Parliament is not sitting.

I have no argument on that score but I tend to agree with the hon. member for Peace River that this should be subject to the agreement of the House. It then states:

It should have adequate staff.

I agree with this. This should be done by permanent staff with only the contentious things being referred to members of the committee.

It should examine regulations on the basis of six criteria.

The report then enumerates the criteria as:

(a) Whether they are authorized by the terms of the enabling statute.

I agree with that. Then:

(b) Whether they appear to make some unusual or unexpected use of the powers conferred by the statute under which it is made.

I agree with the observations of the hon. member for Peace River in that regard. The next one is:

(c) Whether they trespass unduly on personal rights and liberties.

I agree with that. Then:

(d) Whether they have complied with the provisions of the Regulations Act with respect to transmittal, certification, recording, numbering, publication or laying before Parliament.

That refers to the statutory instruments bill if Parliament consents to it. The next one is:

(e) Whether they

(i) represent an abuse of the power to provide that they shall come into force before they are transmitted to the Clerk of the Privy Council or

Then it states:

(ii) unjustifiably fail to provide that they shall not come into force until published or until some later date.

At the time, I think the government was concerned that it should have a policy showing why publication is desired after the coming into force of the regulations. The recommendation then suggests:

(f) Whether for any special reason their form or purport calls for elucidation.

I agree with that. Then in paragraph (10) it states:

It should have the usual investigative powers of a standing committee.

I agree; but that should be left to the House of Commons or the Senate, as the case may be, and not included in the bill. That is why I reject subclause 2 as proposed by the hon. member for Peace River. Paragraph (11) of recommendation No. 19 states:

It should have the same power as other standing committees to report to the House.

I tend to agree, but again this is a matter for the Standing Orders and not for the bill. Recommendation No. 20 is:

The Scrutiny Committee should have the power, in its discretion, to refer regulations to other standing committees and that they should then stand referred to such committees for consideration.

I do not want to take a position on that because it tends to involve an old principle of renvoi. This is a question that can be discussed among the chairmen of committees when the scrutiny committee develops influence and prestige in this House. Recommendation No. 21 states:

Normally Parliament should exercise its power to review by a resolution that a questionable regulation be referred to the government for reconsideration but Parliament should continue to provide, where appropriate in individual statutes, for a procedure by way of affirmative or negative resolution.

The bill provides for an amendment to the Interpretation Act as to what is meant by an affirmative or negative resolution. This is a matter that can be worked out by the Government House Leader with the House leaders of the other parties. Recommendation 22 states:

The Scrutiny Committee should have the power to report at any time on general matters affecting the law or practice with respect to regulations.

I agree. I think that is one of the functions it should be seized with. But I reject the idea that the powers of this committee should be set forth in any way in the bill itself. I submit to Your Honour that the powers of this committee should remain a matter for debate when the House leader introduces the resolution for the establishment of a scrutiny committee, if Parliament consents to this bill.

The third subclause proposed by the hon. member for Peace River is to the effect that the scrutiny committee should have the power in respect of regulations and statutory instruments to approve, vary or repeal. I differ with him because the delegation of regulations and statutory instruments must remain in the first instance with the ministerial department concerned, the Governor in Council, the board or the commission. The executive remains responsible to Parliament, and Parliamentary responsibility, as I envisage it in respect of regulations and other statutory instruments, is to review them. The scrutiny committee will report to Parliament and, I imagine, in appropriate circumstances invite the minister, the department or the body concerned to see whether or not an amendment can be achieved.

Mr. Baldwin: Mr. Speaker, I do not think the minister is deliberately misinterpreting me, but I never had that in mind. My amendment would deal with the power to recommend, and the recommendation could only be made

to the government. I think there is a plain distinction. I put it on the basis that this is a power which presently rests with Parliament. This House can always recommend by making use of existing weapons and devices. I do not go beyond that. I would not attempt to suggest that this House should repeal or vary a regulation; only that it should have the right to act through the committee in making recommendations to the government.

Mr. Turner (Ottawa-Carleton): I agree with the hon. gentleman that this can be achieved under the existing rules of the House or through whatever rules and powers are given to the committee. As the hon. member pointed out in his speech, this is a function or a power envisaged in a substantive motion by the opposition. In this way the matter can be drawn to the attention of the House, just as the Public Accounts Committee can draw great attention to many things in its report to the House.

The hon. member quoted some passages which appear at page 86 of the MacGuigan third report. I wanted him to go a little further into the committee's report because he admitted there was not unanimity in respect of the view he advanced. Below the citations to which he referred, the committee said at page 87:

> We are of the view that the benefits of the English system, which has been resorted to infrequently in Canada, as indicated above, can be enjoyed without any substantial resort to provisions giving Parliament absolute control over the operation of a regulation. We would refer to the following observations which have been made on this issue by thoughtful students of the parliamentary process and other responsible observers:

• (9:00 p.m.)

I want to quote one or two of those observers. The first is O. Hood Phillips, "Constitutional and Administrative Law", fourth edition, at pages 579-80:

> In practice instruments are never annulled, because the minister can count on the government's majority. Even if the government were "caught napping" the minister could introduce another instrument in identical terms. The procedure by negative resolution was seldom used before 1943. Its value has been questioned, but it has in recent years led to interesting and important debates. No amendment of the instrument is possible, although as a result of criticism the minister may withdraw it and submit another in a modified form. A better procedure might be to allow motions that a statutory instrument be referred to the government for consideration.

I agree with that and I believe the House has within its power the opportunity to refer the minister, through the report of the scrutiny committee, to the fact that the statutory instrument should be reconsidered. I believe the power of the House is sufficient for that.

Mr. Douglas: There is no guarantee that the report of the committee will ever be discussed in the House or that there will be a motion for concurrence. That seems to be the real weakness in the situation.

Mr. Turner (Ottawa-Carleton): I could argue that point, but that, I would submit to the hon. member, is open to him and to the hon. member for Peace River to do when a resolution of the scrutiny committee comes before us. The burden of my argument is that this is a matter to be dealt with in the rules and not one which should clog the bill. I should like to cite Wade and Phillips, "Constitutional Law," seventh edition, 1965, at page 618:

> One common feature to all these procedures—

This is the scrutiny type procedure.

> —is that neither House has power to amend the statutory instrument. Although some feel that this should be possible, it might involve the House too closely in detailed consideration of matters which Parliament has already decided should be delegated to a minister it might give rise to complications and delay if each House introduced different amendments. It seems better that if a House is not satisfied with an instrument as it stands, the minister should withdraw it and start again.

I refer to one further citation from John E. Kersell, "Parliamentary Supervision of Delegated Legislation," 1960, at page 110:

> Motions for consideration seem *a priori* to be a realistic technique for gaining some parliamentary influence over subordinate legislation. British prayers for annulment and Australian motions for disallowance seem on the surface to give Parliament more effective powers of control, but as we have seen, such motions have little chance of success in doing more than can be done by the New Zealand counterpart—the motion for consideration... In New Zealand Members of Parliament can, if they are disposed, put their views and objections regarding sub-legislation just as forcefully and just as effectively to the minister, and through him to the departmental officials who, of course, in practice, administer and amend subordinate laws.

Dr. Kersell in expressing his views to the committee said this:

> I am not in favour of the annulling procedure at all. I think it would be more meaningful and more realistic to have a procedure whereby instruments would be referred to the government for consideration, as is the term in New Zealand. You are not telling the government that it cannot have this regulation. It is going to put the whips on it and acquire it in any case. That is referring to experience.

The burden of my argument is that the power of the committee really is to draw to the attention of the government, Parliament and the public the fact that regulations may contravene the criteria which have been advanced by the committee on statutory instruments and may go beyond the powers that are given in the statute, and that the enabling power in the statute itself may be drawn too widely, although that should be a consideration for Parliament in the consideration of the bill itself.

In summary, I feel it is up to the House to determine by its rules how this scrutiny committee should be set up. I think the government would prefer to see the flexibility of the rules of the House amendable by the House in respect of the operation and power of the committee. While I feel the executive is responsible to the legislature as it expresses its will on the breadth and scope of statutory instruments in the scrutiny committee, I believe the administrative power must remain with the government. The legislature has the power to throw light upon and draw attention to and the power to force government, by parliamentary scrutiny, to reconsider. I have confidence that the rules of the House can satisfy that need and are flexible enough that the committee would have ample recourse under the rules to bring any question to the attention of the House. I prefer to see what the hon. member is attempting to achieve left to the rules of the House rather than embedded in a statute.

Mr. Baldwin: Mr. Speaker, I do not ask the minister to bind the government, but I hope that when the proposals are being considered in a resolution as to what should be the powers of the committee he would not object to the standard rules continuing. I refer to the standard rules which I am sure give to any committee the right to make recommendations. The Standing Orders provide that any committee may consider and report back. There is contained in the words "report back" an inference that the report can be wide enough to make recommendations. So I would hope that the minister would not object to a committee having the right to make a recommendation. I agree with him 100 per cent in that I do not think this House should have the right to vary or repeal regulations. However, I believe it should have the right to make recommendations for the consideration of the government.

Mr. Turner (Ottawa-Carleton): The hon. member is asking for a personal view. He is quite right in recognizing that I cannot at this stage bind my colleague the House leader who is listening attentively to this debate. I do feel, however, that the committee should have the usual investigative powers of a standing committee in reporting to the House. As a matter of fact, the responsibilities of the Deputy Minister of Justice and my responsibilities for as long as I have the mandate given me by Parliament are made much easier if there is a strong and effective scrutiny committee, because any Minister of Justice can point to the committee report in respect of the criteria in a bill.

• (9:10 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the two motions have been telescoped for debate purposes. I think we will see some differences in approach but I think fundamentally one will see, also, that the same end is achieved. I find myself immediately at a point of departure with the minister, particularly as a result of his latest intervention. It seems to me the House and the government have lost sight of what happens when a bill is passed. The government comes to Parliament to have a bill passed. That bill does not have one penny's worth of authority until the House has passed it. The cabinet can say what it wants, but unless the bill is passed by Parliament there is no authority whatsoever in the Governor in Council to make any statutory instrument. Parliament grants that power to the Governor in Council, to the minister or to the board, subject to approval, whatever the formula may be—but it is Parliament which grants the power.

I do not intend to discuss the contents of the committee's report concerning what statutory instruments might impinge upon certain guidelines. But surely to goodness, if Parliament grants the power, Parliament can take away or amend the power. If not, is it to be believed that once Parliament in a statute has given the power to make regulations, that power is forever gone? This is the first question the minister must answer. In our theory of government, can the minister say that this House forever abdicates its right with regard to amending or withdrawing the power to pass regulations? It certainly has that power if the appropriate legislation comes before it. The House can widen or annul the regulations if they come before it. The legislation may have to be brought before it by the government, not by the board and not by the minister but by the government, for the approval of Parliament, but the authority is that of Parliament and no one else.

To that extent I say the theory I shall advance is logical. I confess I find myself differing to some extent with my colleague from Peace River (Mr. Baldwin) although not in respect of the procedure. The scrutiny committee may examine legislation, it may comment upon it and it may suggest that it should be amended. It may also suggest that it be annulled. I must confess, also, that I believe the minister is attempting to be too nice to us. I will not call him naïve in this regard, but if a committee report should recommend a change in a regulation, make an adverse comment or report in respect of a statutory instrument or regulation, how does this get back to the House for consideration? Is it to be done by way of a private member's motion which goes to the bottom of the list unless the government makes room for it? A member of the committee may move that the report be adopted—for one day's debate on motions! Then the motion goes to the bottom of the list, if the government so desires, and it is forever gone. Under the House rules there is no way it can again be brought forward.

I am very sorry the hon. member for Windsor-Walkerville (Mr. MacGuigan) is not here tonight. I trust he will be here before this debate terminates and before we reach third reading stage, because on second reading he indicated he wanted to participate in the report stage. As my colleague from Halifax-East Hants (Mr. McCleave) said, clause 26 is really the guts of this bill. He said a number of very pertinent things in the committee which I hope he will put on the record of the House. I hope, also, he will put on the record of this House the minister's answers in the exchanges he had with the minister. I intend to put on the record some of the things the minister said in his exchanges with me, because I believe they will point out the fundamental disagreement we have concerning the position of statutory instruments and how these may be controlled if we are to adopt the purpose of the scrutiny committee and take this bold step forward.

I was saying "Amen" to a lot of things the minister said tonight concerning the reasons why we should have a scrutiny committee. We are on all fours there. However, when it comes to the point, I find it rather strange for the minister to say it would be beyond the power of Parliament to either amend or direct the annulment of a statutory instrument. After all, is the power of the executive or of the minister, under some statutory provision, so supreme that they or he may make regulations for the effective administration of an act, a board or a commission and this is beyond the power of Parliament? If that is the thesis of the government and the minister, then there is indeed not only a cleavage but a gulf of difference in the approach to the theory of government as we have it in Canada today.

Statutory Instruments Act

• (9:20 p.m.)

As I have said, I hope my colleague, the hon. member for Halifax-East Hants, will refer to the views he expressed in his exchange with the minister. I now refer to committee report No. 7, page 10, where speaking to the minister in the more informal atmosphere of the committee I said:

I am going to pose a legal problem to you, Mr. Minister, in that the power of the Governor in Council was granted to it by Parliament in the original instance. In any statute, the Governor in Council is authorized by Parliament to pass the regulation and therefore Parliament should have the right to order the revocation of any regulation. To that extent, as I said in the House the other night, you have only gone part way. You have examined the patient, you have diagnosed his illness but you have not provided for the cure. I would say that Parliament since it delegated its power can withdraw and therefore there should be a means to do so in the legislation—not in the rules.

I insert a parenthesis here. The resolution setting up the committee and the rules that govern that committee shall be within the control of the government in the practical application of the practices of this House. It is not Parliament that will make the suggestion for a change in the rules, or has the initiative of setting up the resolution and calling for debate on that resolution to set up the scrutiny committee: this is entirely within the control of the government. I continue reading what I said:

You say "revision and scrutinizing of statutory instruments." I would say it must go further than that. Parliament itself can because otherwise once having granted the power to the Governor in Council, it is a power forever granted. I do not know who else has authority to initiate a resolution in the House. This comes to the problem of the rules. How do you get it before the House unless as suggested by my colleague here—

I was referring to the hon. member for Halifax-East Hants.

—that the report of the committee criticizing or recommending the revision or the striking out of a regulation shall be brought before the House within 15 days of the report being made? Otherwise, it is the Governor in Council that has the initiative of bringing in any resolution. No member of the committee could possibly do it because then it goes to private members' resolutions—to the bottom of the list. I put to you the problem.

The minister replied as follows:

I think Parliament is fertile enough in its procedures to make its weight felt through the committee on this matter and to bring it to the attention of the public and of the government's attention. If there would be enough automatic revocation power, two things would happen. The House would be flooded with resolutions to revoke particular regulations and also there would be uncertainty as to whether any particular regulation was going to be valid until revoked at some future time by a resolution of the House.

You get into the problem we face in law, of the difference between void and voidable. What would happen to people who had acted in good faith on a regulation only to find it later revoked by a resolution of the committee. We have to go on the assumption the government will be properly responsive to scrutiny by a committee of Parliament. If the government is not so responsive, it can leave itself open to a motion of want of confidence in the normal manner.

[Mr. Lambert (Edmonton West).]

I leave it to you in the House but I do not know how we could transfer from the executive to Parliament, the initiating measure either to pass or revoke regulations because of the blurring of responsibility that produces and because of the uncertainty in the meantime that it may produce.

I would like to comment on that passage, Mr. Speaker, because it raises some very interesting questions and, if I may say so, some rather dubious assumptions. First of all, under the motions before the House at the present time there could be no flood of resolutions to revoke particular regulations. Only the committee would bring in a report, and that is all we are concerned with. No one has suggested that individual members on their own initiative could bring forward resolutions to revoke or amend any regulation.

The minister mentioned uncertainty. Well, uncertainty has been created with regard to regulations in the past where they have been declared ultra vires by the courts. There is no question about that. How much more uncertainty would there be if, following the procedure outlined by the minister, a committee brought in an adverse report with regard to one or more statutory instrument? The minister says that a responsible government or a responsible minister would see that there was adverse criticism and would be moved to make the appropriate changes. But until that happened there would be uncertainty in the minds of the public. There would also be the question of prejudicial action having been taken under a regulation which is called into question. So the degree of uncertainty would not be one whit greater under the procedure I suggest than it would be under what I would call the benign assumptions of the minister. I will not call him naïve; I apologize for having said that before: they are merely benign.

Then there is the question of whether they are void or voidable, but under the legislation—and as outlined by the minister's thinking—any statutory instrument is voidable. If there is the possibility that the minister or the Governor in Council, in the face of adverse criticism, would change or revoke it, then to that extent it is voidable.

It must be understood, again, what my particular amendment seeks. My amendment simply says that the committee shall have the power to scrutinize and examine statutory instruments—it "shall have the power to recommend by way of report to the House of Commons the amendment, replacement or annulment of any statutory instrument referred to it." Let us stop there. Surely to goodness, the minister and I are ad idem up to this point, because he mentions committee reports. Then I go on to the next point because this is where we differ. But I repeat that we are ad idem up to the end of my proposed subclause 2. I express it a little differently. The statute says that a committee shall have the power to examine and scrutinize and the minister says that within the rules it will be able to recommend amendments. All right, Mr. Speaker, but I put it down in legislative form that it shall have that power, and not in the rules, because I maintain that the rules cannot be made with the same legislative authority.

As I say, the minister and I agree with respect to recommendation but in my motion I provide for an automatic consideration by the House of the report, through a motion to adopt or to reject it. The House will not say that such and such an instrument is hereby invalid. I go beyond the rules and want this principle expressed in legislative form, because the rules still depend upon government initiative.

It will be very interesting to see what will be proposed in the resolution to set up the scrutiny committee. The House might be beguiled into passing the legislation as it now stands and be completely silent on how the committee's reports may be considered. So I maintain that it should be provided in the statute, the same as it is in the Regulations Act and in the same way as there are requirements in any number of statutes that something shall be done within so many days if Parliament is sitting, whether this be the tabling of a document, of a report or of regulations. Therefore, I simply say in my motion that the committee's report shall be taken up and disposed of, if there is to be any amendment, withdrawal, annulment or otherwise—whatever is the nature of the committee's report—and that this shall be done automatically.

I do not need a rule change because I put it to you, Mr. Speaker, that the government's resolution to set up this committee need not contain one iota of provision for consideration. The minister says that with respect to a committee report they will follow the rules. But I am sure the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the hon. member for Greenwood (Mr. Brewin) and others will ask, "But how many committee reports are not considered; indeed, will never be considered?" It is true that committee reports can be brought on for one day's debate, but that is not sufficient.

Frankly, I agree with the minister that the provisions for scrutiny, registration and so forth provided for under those clauses prior to clause 26 will go a long way toward guaranteeing that there shall not be any necessity for adverse committee reports. That is all to the good. But when he calls into question the purport of the amendment of my colleague from Peace River, and of my own, he somehow casts doubt upon the efficacy of the machinery that he has proposed for the preliminary screening of amendments.

• (9:30 p.m.)

I hope that the committee will have no adverse reports but will provide the ultimate seal of approval that the minister is seeking. I am not suggesting for a moment, whatever the composition of the committee, that it should have this power. But Parliament, yes. Parliament still has the supreme power, and it is here where the fundamental difference lies. I do not agree that a statutory provision that grants power to make Orders in Council or rules and regulations is a power forever given away.

The minister went on to say that there is a built-in procedure within the Interpretation Act, and since the minister raised this point perhaps I might deal with it. The minister referred to the proposed new section 28A, but I put it to the minister that the provision for a negative or affirmative resolution must be written into the bill. There is no provision in the Interpretation Act that such provision as to a negative or affirmative resolution shall automatically be read into any act. The proposed section 28A reads:

(1) In every act,

(a) the expression "subject to affirmative resolution of Parliament"—

Then the section goes on to describe the procedure. Reference is also made to the expression "subject to negative resolution of Parliament". I suggest that such provisions must first appear in an act, otherwise they have no application. All of this beautiful language could be a dead letter if the government—any government—as a standing rule of practice in the drafting of legislation omitted any reference to an affirmative or negative resolution. This is why I do not give it much credence. I do not think, in all honesty, that any member on this side of the House has sought in all seriousness to impose the restriction upon the power to make statutory instruments that they be not applicable until approved by Parliament. I think no record of that could be found and I agree with the minister that such provisions would not be practical.

Therefore, it is only in the most exceptional case that we would ever be presented with a provision within an act that provided that subject to affirmative resolution of Parliament there shall be the power to do such and such. Certainly we know why power is given to make regulations; it is for administrative convenience, flexibility and so forth, in order to make things move along faster than would otherwise be the case. Surely we are not going to say that having delegated such power we are then going to accept the fact that Parliament has forever withdrawn from the scene and will have nothing more to do with it.

Therefore, I urge upon the House the acceptance of the amendment standing in my name, which goes to procedure and authorizes a procedure that would be required to be approved in order for the House to consider a report on the status of a statutory instrument.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I can state my view on these two amendments very briefly. I am in favour of both of them.

Mr. Turner (Ottawa-Carleton): That is impossible.

Mr. Brewin: Well, then, one after the other. The Minister of Justice (Mr. Turner) says that is impossible, and I will approve whichever one happens to be before me at the moment. I was a member of the Committee on Statutory Instruments and thoroughly endorsed the report issued by that committee. I think on second reading I congratulated the minister on introducing this legislation which, as he said earlier this evening, follows by and large the recommendations of the committee.

However, I cannot go along with the minister's reasoning in regard to these amendments. The core of the report of the committee, and I think the essence of this legislation, is the assertion of parliamentary control over delegated legislation. That is the real purpose of all this.

The essential instrument of that control appears in clause 26 which we are now discussing. Although there may be many other important provisions in regard to publication, the most essential provision of all is the establishment of a scrutiny committee of Parliament to assert its control over delegated legislation.

It is true, as the minister indicated, that a resolution will be put before the House by the House leader dealing with the setting up of a scrutiny committee. But what I like about the first of the amendments is that it provides that a scrutiny committee shall be established before the coming into force of this legislation for the purpose of reviewing and scrutinizing statutory instruments. I think it is as well that the statute make this provision because in my view the legislation without the committee is like Hamlet without the Prince of Denmark. The legislation would be inadequate. I think it should spell out that the two procedures, namely, the setting up by the House or by the Senate of the scrutiny committee and the enactment and bringing into force of this legislation are concurrent procedures—and they have my approval.

When he dealt with the powers of the committee, the minister said: Let the House determine by its rules what the powers of the committee shall be. I agree with the minister that many of the powers of the committee and many details of the committee's operations are rightly left to the rules of the House. But what the amendment is dealing with is not the details of the committee's operations but the fundamental function of the committee. It gives the committee not only the power to look at the statutory instruments that are referred to it; it explicitly gives the committee power to recommend that the same be approved, varied or repealed.

I think the minister pointed out that this power may be implied, that it may already exist under the rules of the House. I would ask him this question: Why should it not be enacted by a statute that in effect creates this statutory instruments regulation, and which incidentally I think should provide for the scrutiny committee to inspect and to regulate? I think the power to recommend that statutory instruments be approved, varied or repealed should be included in the legislation in order to establish the supremacy of Parliament. I think we are not dealing here with a minor matter but with a question of basic principle, namely, the supremacy of Parliament.

It is because I think the amendments make this clear—if they do not establish it—that I am in favour of the amendments. If amendment No. 3 is not passed, then my remarks will be the same on the fourth amendment and I will give it my support if it comes before the House.

• (9:40 p.m.)

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I hope you will be as indulgent with me as you were with previous speakers and will allow me to make some general observations on the two motions now before us. If Your Honour does that, I promise, when my turn comes to present my motion, not to be repetitive and to put my argument succinctly.

[Mr. Brewin.]

First may I make some observations and say what I hope the committee on regulations, or the scrutiny committee as it is called, will do. Recommendation 19(1) says that the committee should be a standing committee of the House of Commons. I hope that it will be a committee of the Senate and of the House of Commons, partly for the reason advanced by the hon. member for Peace River (Mr. Baldwin), namely, that it would have continuity. Certain members of that committee would not need to worry about the quadrennial bugle call and rumpus of an election campaign and could keep their minds at all times on the regulations and other statutory instruments that the committee must scrutinize. As I say, they would serve on it continuously. Others of us might not be able to. The Senate members could be working when the rest of us were out on the hustings. They could be scrutinizing the regulations. For that reason I hope the committee is set up as a joint committee.

The second recommendation with which I thoroughly agree is the one saying that all regulations should stand permanently referred to the committee. My third and final point about the committee is that I hope its procedure will be flexible enough so that any member who is faced with a problem concerning any regulation can immediately take his doubts or his problem to the committee for immediate advice. Perhaps there would be longer range scrutiny of the matter.

If I could mention an experience of mine, perhaps it would bring the message home to the minister. Last year or the year before the Department of Fisheries passed some pretty stringent regulations which affected the rights of people to hold lobster fishing licences, to pass the title of a boat to other people or to hold that title in partnership with other people, and the like. This created a fair amount of correspondence with fishermen in the Halifax area. Sometimes one can be overwhelmed by a flood of letters and become unable to give proper advice. That is something I was faced with. If there had been a committee to which was attached a specialist, much like the Auditor General who helps the members of the Public Accounts Committee, it would have been a great help. I do not know what one should call such an official. Should one call him, perhaps, the scrutineer general, or the statutory instruments general?

Mr. Baldwin: Why not the grand inquisitor?

Mr. McCleave: The hon. member for Peace River suggests that he might be called the grand inquisitor. Grand or not, I hope that the person or persons permanently attached to the committee are knowledgeable.

Mr. Knowles (Winnipeg North Centre): Why not call him the legislative, or the statutory ombudsman?

Mr. McCleave: The hon. member suggests that he be called the statutory ombudsman. This place is throbbing with suggestions. I merely said that there should be a permanent functionary who should help this scrutiny committee. The points that appeal most to me are that the committee be a committee of both Houses, that all

regulations stand permanently referred to it, for reasons I shall elaborate on in a few minutes, and that any member should feel that it is his right to take to that committee any problem that comes in his morning's mail, and that the committee with the help of the grand inquisitor or the statutory ombudsman will get to work immediately.

May I now refer to the points raised by the hon. member for Peace River and the hon. member for Edmonton West (Mr. Lambert). From the minister's remarks I had considerable difficulty in deciding if the bill went far enough or if it should have more teeth in it. Perhaps I could best illustrate my difficulty by quoting the evidence found in volume No. 7 of the *Minutes of Proceedings and Evidence* of the Standing Committee on Justice and Legal Affairs, of Tuesday, February 16, 1971. At that time we were considering the bill. Before the committee were the Minister of Justice (Mr. Turner) and Mr. P. D. Beseau of the legislation section of the Department of Justice. I raised the matter originally in the way that is found at the bottom of page 9. I asked:

> The other question deals with the remedy, should a regulation or statutory instrument be found offensive in some regard. I take it that that committee reviews and scrutinizes it, but I am wondering whether we should not spell out a specific remedy in case the committee finds it wanting.

The Minister of Justice replied:

> Mr. Chairman, this enters, of course, into the relationship of the executive and the legislature. The executive is responsible for the preparation and issuance of regulations. We are providing through this bill a system whereby all regulations subject to certain narrowly drawn exceptions are published and sent to the scrutiny committee. The scrutiny committee will be a committee of Parliament. Parliament will have the recourse of drawing it to the attention of the executive by any means ordinarily available to Parliament, much in the way of the Public Accounts Committee or any other committee of the House.

That exchange ought to make us suspicious, because the Public Accounts Committee comes to this House almost every year with 20 or 30 recommendations. In any event, it comes in with a lot of flack. We sometimes hear complaints from the members of the committee that not all their suggestions are acted upon. I do not suppose all the recommendations of any committee can be acted upon; nevertheless, it seems to me that this procedure does not leave the members of the Public Accounts Committee as happy as they otherwise might be.

The following exchange also took place in the committee:

> MR. MCCLEAVE: We do get a report in which a committee has identified what it thinks is wrong about it but it seems to me that we should be taking it one step further to provide for it to be immediately or within 15 days brought for a discussion and a vote by either house of Parlement.
>
> MR. TURNER (OTTAWA-CARLETON): Could that not be left to the rules of the House and the resolution of the scrutiny committee as to how Parliament is to deal with it? We did not want to circumscribe how Parliament should act in this statute.
>
> MR. MCCLEAVE: I would be inclined to accept that but my colleague says no so perhaps I should throw it to him.

My colleague the hon. member for Edmonton West continued the discussion. Later, as found on page 26, that clause was stood at my request until I had had a chance to study it. After walking up and down the hall and talking to a few people about this, because I was concerned in case we were not developing an effective procedure, the following exchange took place:

> MR. MCCLEAVE: Mr. Chairman, I have had some discussion with my colleagues on this side about it and it seems to me that the right to make regulations is permanently referred to the committee to be established. So the committee can report to either Chamber that the regulation is excessive, unjust, or the like. This not only puts government on notice at that time, but there is no reason that the committee cannot next week come back and say the same thing, and say it over and over again, because the act is always there before the committee. A report on it does not render the committee *functus* with regard to that particular act or the regulation passed under it. I think in that respect we have a greater safeguard than the Alf Hales—

Instead of "act" I should have said that the regulations are there before the committee. The exchange continued as follows:

> MR. TURNER (OTTAWA-CARLETON): Public Accounts.
>
> MR. MCCLEAVE: Yes. In that respect we have, because they can become *functus* on something but the committee never could, as I read it.

• (9:50 p.m.)

The minister then said:

> The general umbrella is created by statute but it is up to either House to supplement it and put it through.

I said:

> But subject to perhaps stumbling on some better procedure I would be happy to accept it. I withdraw my objection.

Perhaps I am to be commended for that bit of caution at the end. Where I said there might be a better procedure on which we might stumble.

May I repeat the issue as I see it. The minister agreed that the regulation would always be before the committee and the committee could report on that regulation. It could report one week and, if the government took no action, presumably it could report the next week, and so on, if it felt very strongly what it regarded as an injustice in the regulation. The danger is that it depends on whether the committee is established as an independent committee; in other words, it will not be pushed around by anyone. If it were exercised enough, it could report to either House time and again. My remedy is fine in one respect, but not if the committee does not feel encouraged to always report on its difficulties.

The proposals of the hon. member for Edmonton West and the hon. member for Peace River do not state that the committee has the final say as to whether the regulation is defective. That is very important. It would be most improper to give any committee of this House the right to substitute its opinion for that of a government department with its expertise, the Governor in Council, the cabinet and their advisers. That would be wrong; also, it would be constitutionally unsound. However, I think the committee does have a right to express an

opinion and to make a recommendation based on that opinion.

With the resources, expertise and common sense of the collective members, I think the committee has a right to report to this or the other chamber on any matter that has been referred to it. For example, they have the right to say that they have examined the regulations under the beekeepers act and feel that in some respects they are unjust and offend some of the rules laid down in the accepted Parliamentary practices of the world and, more particularly, the rules set forth in paragraph 7 (a-j) of the report of the statutory instruments committee. That opinion could then be tested. That is the real crunch in the whole issue.

I do not apologize for going into this matter at some length because I think we may reach a consensus. The minister is a fair man; he will listen to us. When the President of the Privy Council (Mr. McEachen) brings in legislation to set up the committee, many of the issues may already have been cleared out of the way. I do not apologize for scouting it at some length. Either remedy in the amendment before us seems to be very useful. The remedy suggested by the hon. member for Peace River, as contained in subclause 3, reads:

> Where a statutory instrument stands referred to such committee, the committee has, in respect of such statutory instrument, the power to recommend that the same be approved, varied or repealed.

That does not say "the power to approve, vary or repeal." It is simply a power to make the committee's opinion or recommendation known to the House. I think that is important. Again, we are not substituting a decision for that of someone else. We are simply stating whether we regard what has been done by the regulation-making authority is proper. It is up to Parliament to decide. No doubt the government, with all its abilities, will not have great difficulty if we are not on the right track. If we are on the right track, the regulation will probably be very quickly amended and the remedy secured without having to go to the House for a vote.

The other remedy, suggested by the hon. member for Edmonton West, is a little more complicated. It is set out in subclause 3 as follows:

> In the event that the said committee should in any report recommend the amendment, replacement or annulment of any statutory instrument such report shall be brought on for consideration in the House of Commons within fifteen sitting days after the tabling thereof in the same session, if such be possible, or within the first twenty sitting days in the next session following and any debate thereon shall continue subject to the Standing Orders of the House of Commons, until the report shall have been finally disposed of.

Again there is no attempt by the committee to substitute its decision for that reached by the minister, the Governor in Council or whoever has the power to make regulations. It is simply a right to comment on whether it regards the exercise of those powers to have been carried out properly, and to report to the House to have the procedure clearly spelled out so that all members can state whether they think the regulatory power has been properly exercised. Those are the main points. That is why I recommend either one of these two courses.

It is about half a minute to 10 o'clock. I understand that one member of the New Democratic Party, who is not present this evening, would like to speak on this matter. I also understand that the right hon. member for Prince Albert (Mr. Diefenbaker) would like to say a few words on the subject. Perhaps the House would permit these hon. members to speak later on this important subject.

* * *

BUSINESS OF THE HOUSE

Mr. Turner (Ottawa-Carleton): If hon. members will allow, I will state the business of the House. Tomorrow is opposition day.

Mr. Knowles (Winnipeg North Centre): Tomorrow is ladies' day.

Mr. Turner (Ottawa-Carleton): Tomorrow is ladies' day, sponsored by the New Democratic Party. According to the information I have received from the House leader, this bill will be called again on Wednesday. I think this has been a very useful debate so far.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CONSUMER AFFAIRS—REQUEST FOR INVESTIGATION OF SPREAD IN PORK PRICES

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, on January 22, which seems quite a while ago, I addressed the following question to the Minister of Consumer and Corporate Affairs (Mr. Basford):

> Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. In view of the spread in pork prices between the 20 cents a pound for dressed pork which a farmer receives in Saskatchewan and the retail price of pork products such as ham, which sells for $1.20 per pound, will the minister look into this price difference and consider appropriate action?

• (10:00 p.m.)

Mr. Speaker, since farming began, farmers have been concerned about the fact that their bargaining position has not always been as good as it should have been. They hope that their bargaining position and their share of the consumers' dollar can be improved. I should like to address a series of questions to the minister or to the parliamentary secretary. First, I would ask him to look at this question and tell the House what action he is contemplating in connection with this wide disparity between the amount farmers receive and the amount consumers are paying. Does the Minister of Consumer Affairs concern himself about the difference in prices

received by primary producers and those paid by consumers? Does he consider he has any place in this equation?

What check does he or his department make to find out whether someone is applying pressure in the marketplace? Is there a continuous check to see whether someone is applying undue pressure on the price of a product or a service, in this case the price of pork? Does he keep any consistent watch, if you will, to find out whether pressure is being applied? Does the minister concern himself about price wars which the supermarket chains may be waging among themselves in the course of which they force consumer prices down and then insist on reducing payments to producers of red meat?

I suggest this is the case. In the committee on Health, Welfare and Social Affairs during an examination of Bill C-181 I asked one of the witnesses whether this was the case. He replied that those engaged in the meat industry naturally tried to get a fair price for their products but when there was a supermarket war in progress the supermarkets put pressure on the meat packers to reduce their prices and pass the reduction on to the producers. In what way is the department concerned with these things?

Does the Department of Consumer Affairs concern itself at all with the relative difference in the bargaining position as between one group and another in the marketplace, or does it just make out as best it can? Does it attempt to judge the price margin on different products, in this case pork, or is the position of the ministry merely one of pricing can sizes, comparing weight units, acting as watchdog over advertising, and so on? I am suggesting to the parliamentary secretary that the department should really get down to the meat of the matter—

Mr. Dinsdale: The red meat.

Mr. Thompson: —and see that farmers get a fair price for pork.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the production of hogs in 1970 has only been exceeded in one earlier year, as the hon. member may know, and that was in 1944. A combination of ample feed grains in the west and high prices in 1969 led to a large increase in output, and during the latter half of 1970 the price of hogs declined dramatically. The national average price was $34.63 in 1969 and this had fallen to $22.94 in the first week of January, 1971. These prices refer to 100 pounds dressed weight. These statistics are quite important and relevant.

There have been significant declines in the price of retail pork cuts. Ham, smoked boneless, dropped from an average of $1.35 per pound in 1969 to $1.14 in December, 1970. Shoulder roasts, Boston butt, fresh, fell from 73.5 cents in 1969 to 56.6 cents in December, 1970. These are national averages compiled by DBS. The relation between hog prices and the price of retail pork products was examined in detail by the Special Joint Committee of the Senate and the House of Commons on Consumer Credit and Prices, I think in the fall of 1966. The conclusion of the committee was that there was no simple relationship between the price of hogs and individual retail cuts. One thing did emerge clearly. A high level of consumer demand for a particular cut such as hams will mean that its price will not rise or fall in the same way as the price of the whole carcass. I hope this will clarify the situation, Mr. Speaker.

Motion agreed to and the House adjourned at 10.08 p.m.

HOUSE OF COMMONS

Tuesday, March 9, 1971

The House met at 2 p.m.

THE PRIME MINISTER

CONGRATULATIONS ON MARRIAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. On many past occasions I have had the opportunity of saying a few welcoming words to the Prime Minister when he has returned to the House from various sojourns. However, none of these occasions has been quite so pleasant as the one that presents itself today because this is the first occasion on which I have the opportunity to extend a double welcome.

Just a few days ago in this chamber we happily welcomed our annual floral notification that spring was born anew in British Columbia and would soon be moving eastward. This floral gift always cheers us up after a long, hard winter. Today we happily welcome the arrival of another much more significant gift from that province, and we must extend our thanks to the Prime Minister for the part he played in acquiring this gift and transporting it to Ottawa. The fact that he was able to make it a surprise gift is, of course, a tribute to his artistic ingenuity.

[*Translation*]

Last Friday, through the right hon. member for Prince Albert (Mr. Diefenbaker), the members of my party offered their best wishes to the newlyweds. At that time I was held up by the storm in Montreal where I met some constituents of the Prime Minister (Mr. Trudeau) who congratulated me on the quality of my French.

Having then been away from the House on that occasion, just as the Prime Minister himself, I would like today to express my best wishes to the Prime Minister and his bride.

[*English*]

The Prime Minister has done away with suspense in the most splendid way. Suspense ends best with a big surprise, and in this case the surprise is most welcome. Having had this big surprise, Sir, we will be prepared for any future little surprises.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, although the leader of this party expressed our pleasure at the news of the Prime Minister's wedding when that news reached us on Friday morning, I am most happy to join with the Leader of the Opposition once again in expressing our happiness and our very best wishes to the Prime Minister and to his bride.

• (2:10 p.m.)

The only advice my colleagues gave me as I rose to speak was to be brief, and I intend to follow it. I would like to suggest to the Prime Minister that if he will look at *Hansard* for February 1, 1958, he will discover that the last words uttered in this place by his father-in-law referred to the rights of Parliament.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think it is one of the rights of this House to see Mrs. Trudeau at an early date, and I hope that right will be extended to us.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, it is a pleasure for me to join my colleagues in greeting the right hon. Prime Minister (Mr. Trudeau) to the House of Commons.

With all hon. members of Parliament, my colleagues and I extend his wife our warmest welcome to the national capital.

We wish the right hon. Prime Minister and his young bride happiness, health and long life.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on behalf of my wife and myself I should like to thank very sincerely the Members of Parliament who today and Friday expressed their feelings on the occasion of my marriage. I thank them for their expression of feelings, but I confess that my lack of experience both in this House and in matrimony leaves me a little bit dubious as to how I should deal with this matter.

The Leader of the Opposition spoke of a question of privilege. It may be a question of privilege; it may be a point of order. However, I do want to give a solemn assurance to the House, on behalf of the individual concerned, that there will not be a repetition of the incident so touchingly recalled the other day by the right hon. member for Prince Albert. I do not know how I shall reconcile this undertaking with the suggestion made by the spokesman for the New Democratic Party. If an appearance is made I shall make sure it is silent, but I

think I can also assure the House that it will probably be the only occasion on which I will be able to ensure such silence.

I should add, Mr. Speaker, that my joy during the past few days has been sobered considerably by the sudden death on Saturday of Ab Douglas. Ab brought with him to this House in 1968 a degree of dignity, an unquestioned integrity and a sense of devotion to duty which soon won him the respect and friendship of all hon. members. I found when I visited Ab's family in his riding not so many months ago that this same respect and friendship were very evident amongst his neighbours. I think we all realize that when Ab Douglas spoke in this House he did so in the perspective of countless generations of men who have tilled the soil and who understand the honesty and the beauty of nature's work.

I wish to join with all other hon. members who have already offered their sincere condolences to Mrs. Douglas and her children.

[*Translation*]

Mr. Speaker, my feelings of grief over the loss of a colleague who passed away Saturday, and of gratitude towards the members of all parties in the House who joined me in my happiness are obvious proof that the spirit of Parliament is something precious. Here is a place where emotions are at times tense, at times happy and filled with kindness, but one thing is sure, and that is that Parliament is at all times a place where human feelings prevail, where the men and women elected as members give their best in the service of the country. I am honoured, Mr. Speaker, to be a member of this assembly.

Some hon. Members: Hear, hear.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Eleventh report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages—(Mr. Clermont).

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

TRANSPORT

TRANSFER OF SHIP FROM PRINCE EDWARD ISLAND FERRY SERVICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I ask leave to present a motion under the provisions of Standing Order 43. In light of recent disturbing reports indicating that the principal CNR car-rail ferry, the *John Hamilton Gray,* is being considered for transferral from the Prince Edward Island service to the Newfoundland operation—

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): Mr. Speaker, perhaps we should ask for a ten minute adjournment for a caucus—and the obvious importance of this car ferry to ensure adequate passenger and freight transportation to and from Prince Edward Island, in view of the complete lack of prior consultation between the Department of Transport and the provincial government of Prince Edward Island and the people of the island, and considering the basic responsibility that the federal government has to ensure under the constitution adequate and continuous transportation and communication between Prince Edward Island and the mainland, I move, seconded by the hon. member for Hillsborough (Mr. Macquarrie):

That the government of Canada immediately undertake to assure the people of Prince Edward Island:

1. That there will be no deterioration in the service presently being provided to the people of Prince Edward Island either in terms of its annual heavy transportation commitments to tourist traffic during summer months or in terms of the heavy movement of primary products and construction materials during the fall, winter and spring months.

2. That no change be made in the present ferry operation until there is satisfactory experience that the two new ferries to go into service this May will adequately compensate for the removal of one or more of the present ferries in operation.

3. That if it becomes necessary to move the *John Hamilton Gray* from the Northumberland Strait operation during the summer period that a firm undertaking be given that the ferry will return to Prince Edward Island service by early October—

Mr. Speaker: Order, please. The hon. member will appreciate that I have to bring to his attention the limitations imposed by the Standing Order. I suspect he is coming to the end of the motion but I have doubts whether it is entirely proper to present a motion of the length and extent of the one proposed by the hon. member. In any event, I invite the hon. member to indicate to the House as soon as possible the full terms of the proposed motion.

Mr. MacDonald (Egmont): I fully understand Your Honour's point and respect your judgment in this matter. I merely wish to outline the nature and complexity of the problem. The concluding words of the motion are:

—and remain in that service until the end of May in order that no dislocation may occur to the normal movement of rail and truck traffic so vital to the island's economy.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Egmont under the terms of Standing Order 43. The Chair must inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I have to advise the hon. member that there is not unanimous consent and therefore the motion cannot be put under the terms of Standing Order 43.

* * *

CANADA LABOUR (STANDARDS) CODE

AMENDMENTS RESPECTING HOURS OF WORK, WAGES, VACATIONS, TERMINATION OF EMPLOYMENT, ETC.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I move for leave to introduce an Act to amend the Canada Labour (Standards) Code.

Mr. Speaker: Order, please. The Chair will first put the motion.

Mr. Mackasey moved for leave to introduce Bill C-228, to amend the Canada Labour (Standards) Code.

• (2:20 p.m.)

Some hon. Members: Explain.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Speaker: Order, please. I am wondering whether the minister proposed to make a statement. As he knows, it is not customary to make a statement in support of the first reading motion.

Mr. Mackasey: Mr. Speaker, I thought that hon. members might have wanted an explanation in the House rather than outside.

Some hon. Members: Agreed.

Mr. Woolliams: This is most refreshing.

Mr. Speaker: Order, please. When shall the bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

HOUSING

ASSESSMENT OF INNOVATIVE PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the minister in charge of housing about the government's experimental program regarding low-cost housing. Has the minister had an assessment of this program made? If so, is he prepared to table or make public the assessment of the results of the program carried out so far?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the assessment is under way; it has been

commissioned for some time and it will probably take some time to complete if it is to be an in-depth evaluation. Indeed, at best it would have to be an interim evaluation because I think it will take some years, in some cases, to determine truly the good and the bad of the program. Most certainly, however, when the interim report is available I shall be pleased to make it available to all hon. members.

Mr. Stanfield: Since the House will be asked to vote further funds for this program and in view of the charge made that the result of the program so far has been simply a lowering of standards and an increasing density, is the minister prepared to appoint a task force or an assessing party from outside his own department and outside CMHC to assess the program and to make its assessment known?

Mr. Andras: Mr. Speaker, I have not had the opportunity of examining the report to which the hon. member is referring, although I read the article in the press this morning, as the hon. member perhaps did. I would much prefer to have that opportunity before elaborating on what might take place as a result of it. My previous statement about the evaluation process stands, and I think it will be useful for all members when it is available.

Mr. Stanfield: Can the minister assure us that an interim assessment of the sort he mentioned a few moments ago will be available to the House before the House is asked to decide about the continuation of the program or the precise form in which the program should be continued?

Mr. Andras: Mr. Speaker, I would anticipate that when the capital budget of CMHC goes before the appropriate committee for examination all the information available will be distributed to hon. members. Whether it will be a formal evaluation or assessment report, with the quality that I would hope to achieve, I could not promise at this time. Nevertheless, all information that we have we will make available on that occasion.

CONTINUATION OF INNOVATIVE FUND—REFERENCE OF SOCIAL DEVELOPMENT COUNCIL REPORT TO COMMITTEE

Mr. John Gilbert (Broadview): Mr. Speaker, does the minister intend to continue the innovative fund in this year's building program?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I announced when I tabled the CMHC budget that we shall wish to continue the innovative theme and thrust. I think circumstances this year are not the same as they were when we announced the program last year so there will be differences in approach. They are being worked out now and I hope fairly shortly to be able to announce them to the House. Of course, members can judge them on that occasion.

Mr. Gilbert: Would the minister agree to refer the report of the Canadian Council on Social Development to

the appropriate committee so we may study it in depth? Also, will the minister attend the committee hearings?

Mr. Andras: Mr. Speaker, I am not sure whether this is within my purview but I am sure an ingenious way will be found to examine that report and deal with it before the committee.

INNOVATIVE FUND—AMOUNT TO BE EXPENDED IN 1971-72—FLEXIBILITY OF PUBLIC HOUSING PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question for the minister responsible for housing. In view of the fact the minister gave some indication last year regarding an amount of $200 million, has he determined any particular sum or amount that he is prepared to expend on the innovative program for the next fiscal year?

Hon. Robert K. Andras (Minister without Portfolio): Not precisely, Mr. Speaker.

Mr. Alexander: A further supplementary regarding the same topic. In light of the emphasis placed on innovation in housing, and in light of the rigidity of the legislation permitting the expenditure of the $253 million recently announced by the minister as earmarked for public housing, and because of the usual cost-sharing arrangements, both of which make innovation impossible, is the minister contemplating a review of the legislation and the cost-sharing arrangements in order to arrive at more flexibility in this area?

Mr. Andras: Mr. Speaker, I am inclined to think that a great deal of flexibility is available both to the provincial governments and the federal government in the public housing program. There is a series of changes taking place. I think the hon. member is aware of them. I cannot elaborate on them in the brief time that I have to answer the question, but I rather reject the idea there is that much rigidity now built into the legislation.

FEDERAL ASSISTANCE IN LAND ASSEMBLY

Mr. Walter C. Carter (St. John's West): I have a supplementary question for the minister responsible for housing. In view of the ever-increasing price of land facing the major Canadian cities, is the government going to undertake a program matching last year's $200 million innovation fund to help the municipalities finance land assembly projects?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, there is a sizeable budget devoted to land assembly. The provisions of the Act were amended in 1969. If I remember correctly, I think I announced that some $43 million would be available for land assembly in 1971 from the capital budget of Central Mortgage and Housing Corporation.

[*Later:*]

Mr. Carter: I have a supplementary to my previous question to the minister responsible for housing and urban affairs. In view of the serious need for more serviced land in our big cities, and in view of the fact that the amount allotted by the government of $43 million is obviously inadequate to meet that need, would the minister undertake to have an assessment made of the problems facing our cities and if necessary increase the amount to accommodate the need in various areas?

Mr. Andras: Mr. Speaker, we are in the process of assessing the needs of our cities. If we do increase the amount it will have to come from some other source and we face the question of general constraints on budgets. We are always examining the matter and I will certainly take the hon. member's views into consideration.

* * *

EXTERNAL AFFAIRS

PROPOSED VISIT TO CANADA BY BRIGADIER PATTAKOS OF GREECE—SUGGESTED REFUSAL OF OFFICIAL RECOGNITION

Mr. Andrew Brewin (Greenwood): My question should perhaps be addressed to the Secretary of State for External Affairs but in his absence I will address it to the Prime Minister. In light of the forthcoming visit to Canada of Brigadier Pattakos, one of the leading figures in the Greek military dictatorship, and in light of the moral condemnation of the world of that regime for its resort to torture and other totalitarian methods, will the Prime Minister give assurance that no official recognition of the visit will be accorded by the Canadian government?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the question deals with a purely speculative news report and as far as I know, the Canadian government is unaware of any forthcoming visit to Canada by Brigadier Pattakos.

[*English*]

Mr. Carter: I have a supplementary to my previous question to the minister in charge of housing. I recognize—

Mr. Speaker: Order, please. I wonder whether the hon. member might allow the Chair to recognize a few other questioners and then return to the hon. member in a few moments.

* * *

[*Translation*]

BILINGUALISM AND BICULTURALISM

FINAL REPORTS OF COMMISSION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Prime Minister. Has he received a communication from the Commission on Biculturalism

and Bilingualism to the effect that this commission intends to bring its work to an end but will not publish the reports it was to prepare? If so, what was the government's reaction? Shall we demand that the Commission complete its work in order that we may be informed of the expenses it has incurred and the studies it has undertaken?

Right Hon. P. E. Trudeau (Prime Minister): This letter has been brought to my attention today only. I have not yet replied to it. There has effectively been a letter such as the hon. member indicates. I shall see what reply I am to make and, should the House be interested, I have no objection to informing it of the text of my reply.

Mr. Lambert (Edmonton West): Mr. Speaker, I wish to ask a supplementary question.

Could the Prime Minister give us some indication before the end of the week as to the government's position in the matter and perhaps also table his reply to the letter?

Mr. Trudeau: Mr. Speaker, I will reply as soon as possible, probably within a week. If the hon. member then reiterates his request, I will be pleased to give the reply verbally or to table it providing of course the senders of the letter are agreeable to the tabling of a copy of their communication.

* * *

[*English*]

FISHERIES

PREVENTION OF FISHING BY FOREIGN SHIPS WITHIN 12-MILE LIMIT—RESPONSE OF OTHER COUNTRIES —SPECIAL PRIVILEGES

Mr. James A. McGrath (St. John's East): I have a question for the Minister of Fisheries and Forestry arising out of the statement he made last Friday concerning the imposition of the 12-mile limit. What has been the response of countries which have been contacted in connection with this matter, and I refer particularly to those which are deemed to have traditional rights in Newfoundland waters? Will the minister also assure the House that no foreign trawlers will be given privileges denied to Canadian trawlers?

Hon. Jack Davis (Minister of Fisheries and Forestry): Certainly I can give the House the assurance that no foreign trawlers will be given privileges denied to Canadian operators. I might also add that the entire west coast of Newfoundland is closed out to the 12-mile limit to foreign trawlers, as is the stretch of coast from Cape Ray to La Poile on the south coast. Under the new policy, any section of coast around Newfoundland can be closed but at the moment, as I say, the entire west coast and the stretch from Cape Ray to La Poile are closed to foreign trawlers. We have received no objections from foreign nations in this connection.

Mr. McGrath: In view of reported incursions by foreign ships into the Fortune Bay area and off the Avalon Peninsula in Newfoundland, does the government intend to extend the 12-mile limit to this area as well? Also, what has been the response of the government of France with respect to its territorial rights over the island of St. Pierre?

Mr. Davis: Where there is the likelihood of a clash of gear between small Canadian vessels and large foreign trawlers we will close the area, but the information I have received today is that there is no prospective clash in the areas the hon. member has in mind.

Mr. John Lundrigan (Gander-Twillingate): In view of the fact that subsequent to the announcement by the Minister of Fisheries violations of the 12-mile limit by vessels of a number of countries have been reported to him and to Members of Parliament from eastern Canada, what measures is Canada taking to enforce the declaration made by the minister two weeks ago and repeated last Friday?

Mr. Davis: There have been no violations of the 12-mile trawler limit, if I can refer to it in those terms, since my announcement of last Friday. Of course, if there is a violation the full force of the Canadian law will be employed against those responsible for the violation.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Can the minister advise the House whether air surveillance is taking place and whether patrol boats are in the area in which the draggers are fishing now?

Mr. Davis: There is air surveillance. Additional ships are in the area, our own protection vessels. There are no foreign vessels within 20 miles of the Newfoundland coast today and due to ice movements, I understand foreign vessels are moving out of the gulf at the present time.

Hon. Robert L. Stanfield (Leader of the Opposition): A further question for clarification. The minister told us he had asked certain countries whether they had any objection. Might I ask him what his attitude would be if one of these countries did register an objection? Would the law respecting the 12-mile limit still be enforced against such a country?

Mr. Speaker: I hesitate to intervene at this moment, but the question as asked is hypothetical. Nevertheless, the minister might like to give the information for the benefit of the House.

Mr. Davis: The assumption upon which the question is based is wrong. We have not asked these other countries whether they would obey our law; we have informed them of the steps being taken to prevent a clash between small Canadian vessels and large foreign trawlers within our 12-mile limit.

Mr. Lloyd R. Crouse (South Shore): Would the minister tell the House what response he has received from the government of France with regard to the regulation as it applies to the fishing zone around the French-owned islands of St. Pierre and Miquelon?

Mr. Davis: That is a question which might be answered by the Secretary of State for External Affairs when he is in the House. I have heard of no objection; indeed, I have heard of no protest at all from France to Canada.

Mr. Speaker: I think the Chair should allow one further supplementary question on this subject and then we should go on to another subject.

Mr. McGrath: Thank you, Mr. Speaker. One further supplementary to the Minister of National Defence. Is the government giving any further consideration to placing Tracker aircraft or some other kind of surveillance-type aircraft in and around eastern Newfoundland to see that the law is enforced with respect to foreign trawlers?

Hon. Donald C. Macdonald (Minister of National Defence): I am sure the hon. member will agree with me that the Canadian forces based at Summerside have been quite effective in this regard.

[*Later:*]

Mr. Lundrigan: I direct my supplementary to the Minister of Fisheries. I should like to give him the opportunity of clarifying his statement made to the Leader of the Opposition that we have not asked the various traditional fishing nations to move outside the 12-mile limit but that we have informed them of our decision that they stay outside. Can the minister reconcile that statement with his former statement in the House last Friday, as reported at page 3988 of *Hansard*, when on three occasions in the fifth paragraph he said we had asked various nations to stay outside the limit. Have we informed them that they must stay outside or have we asked for their co-operation?

Mr. Davis: Mr. Speaker, we have asked them to stay outside and for their co-operation.

* * *

CANADA LABOUR (STANDARDS) CODE

MATCHING OF PROPOSALS IN BILL BY PROVINCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the fact that we are usually advised that before improvements can be made in the Canada Labour (Standards) Code there has to be a consensus between the federal government and the provinces, may I ask the minister whether he has held consultations with the provinces on the basis of which he can assure us that the steps proposed by him in his bill which he introduced today will be matched at the provincial level?

Hon. Bryce Mackasey (Minister of Labour): I cannot give that assurance, any more than I have been able at any time to give an assurance that the provinces will meet the existing minimum wage requirement. But there has been adequate consultation with the provinces in respect of those changes to the Act which might in some way affect provincial-federal relations.

Mr. David MacDonald (Egmont): Though the minister did not have a chance to make a statement this afternoon it has been indicated that one of the changes proposed will be the inclusion of a cost-of-living escalator. Can the minister say whether this is now to be government policy and whether we may expect similar amendments to existing legislation in connection with assistance and pension plans and also with respect to certain white paper proposals concerning unemployment insurance and welfare policies?

Mr. Mackasey: Nowhere in the bill is there any reference to a cost-of-living escalation clause.

* * *

[*Translation*]

HEALTH

ALLEGED RECRUITING OF MEDICAL DOCTORS OUTSIDE CANADA

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the Prime Minister.

Would the he tell us whether the Canadian government has decided to recruit some 1,250 doctors abroad each year during a 20-year period, as Professor Mathews of Carleton University was reported as saying during the weekend?

Mr. Speaker: The question thus worded cannot be allowed. The hon. member is asking a member of the government to confirm or deny a report. Perhaps the question could be asked directly and to save time, the Prime Minister might want to answer the question as directed by the hon. member.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take note of this question on behalf of the minister responsible for immigration. As far as I am concerned, I have not heard of such a report.

* * *

[*English*]

AIR TRANSPORT

INTRODUCTION OF LAW RESPECTING HIJACKING

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the Minister of Transport a question in connection with air piracy. Has he received representations by telegram or otherwise from the Canadian Airline Pilots Association regarding the need for a law covering piracy and hijacking similar to the law which presently exists in the United States?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I believe such representations have been made, but whether within the last week or so or not I am unable to say with certainty. We have been in consultation with the Canadian Airline Pilots Association for several months and have involved the association in discussions with regard to the whole issue of hijacking. As the hon. member knows, the Minister of Justice has

indicated his intention to bring forward just such a law as the hon. member has referred to.

Mr. Woolliams: Is there any reason Canada is not a party to the international air agreement which covers this subject?

Mr. Jamieson: I am not aware of the specific agreement to which the hon. member refers, but as far as I am aware we are participating in all international actions relating to the hijacking problem. As far as I know, we have not only accepted all international agreements presently in existence but, in addition, we have proposed various initiatives of our own which are now under consideration internationally.

Mr. Woolliams: Can the minister tell us why Canada is still without a law covering this subject, though such laws have been adopted by the United States and other western nations? Is there any special legal problem or peculiarity which is responsible for the delay, apart from questions of administration?

Mr. Jamieson: Yes, Mr. Speaker, quite a complicated problem over and above administration. I think I have indicated to the House on previous occasions that, with all due deference to other countries, we have been in the forefront in putting forward proposals. Perhaps the argument may be as to whether other proposals are as effective as the ones that we are suggesting, in other words, that some of the measures which have been put forward, including the laws to which the hon. member has referred, are not considered by most countries to be wholly effective. In summary, I think the situation at the moment is that all countries who subscribe to the ICAO convention and related documents are now working on what they hope will be an effective solution. But there is no conscious delay on our part.

* * *

[*Translation*]

CANADIAN PACIFIC RAILWAYS

SHORTAGE OF BOXCARS IN WESTERN QUEBEC—POSSIBILITY OF TEMPORARY LAY-OFFS

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I should like to ask the Minister of Transport if he could use his good offices to remedy the serious shortage of freight cars in western Quebec at this time, an area served by the Canadian Pacific, in order to prevent temporary lay offs?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have checked in regard to both these questions, not only the one the hon. member has asked but also ones asked by some members from western Canada who inquired about shortages of cars in their vicinities. I have been advised by both railways that the basis of the problem is essentially the extremely adverse weather that we have had in the past few months which has made it extremely difficult to get cars back to their destinations quickly. I am told that there is now some evidence that the situation is improving and should continue to improve from now on.

* * *

[*Translation*]

HOUSE OF COMMONS

QUEBEC—BY-ELECTIONS IN CHAMBLY AND TROIS-RIVIÈRES

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Considering that two Quebec ridings, those of Chambly and Trois-Rivières, have been without representation in this House for the last few months, considering also the rumours of a general election in the fall, would the Prime Minister tell us if he intends to call a by-election in each of those two ridings in the near future or if he prefers to wait for the general election in October.

* * *

[*English*]

AIR TRANSPORT

ATLANTIC PROVINCES—EFFECT OF STUDY ON POLICY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Transport. Can the minister state what effect the air transport study of the Atlantic provinces which was tabled in the committee last week is going to have on air policy for the Atlantic provinces?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the report to which the hon. member refers is purely and simply an assessment made by consultants as a possible guide to future action. I can state categorically that it does not in any sense represent the policy of the Department of Transport at the present time, nor have any moves been made or are they likely to be made in the immediate future to implement any of the suggestions. They are merely being examined as of this moment.

Mr. Comeau: In order to set minds at ease, would the Minister of Transport make a full statement soon regarding the proposals for Atlantic provinces air transport?

Mr. Jamieson: Mr. Speaker, I have just completed three sessions before the transport committee of the House at which I thought I made a fairly comprehensive statement on many aspects of the matter. If the hon. member has some specific inquiries I will be glad to do my best to answer them. Indeed, I am in the process right now of replying to a letter the hon. member wrote me a few days ago on this subject.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, in spite of the minister's words of reassurance on this subject, if any of the cities involved wanted to

make representations would the minister provide a forum for them to do so?

Mr. Jamieson: Yes, Mr. Speaker, I would be more than pleased to do so. In fact, one of the main reasons for releasing the report at this time was to invite such public discussion.

* * *

FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct my question to the Minister of Consumer and Corporate Affairs. Yesterday I asked the Minister of Finance a question regarding the 33 per cent increase that the banks have levied on the handling of cheques and the minister said he would refer the question to the attention of his colleague, the Minister of Consumer and Corporate Affairs, and added that he imagined the Prices and Incomes Commission would also be looking into the matter. May I ask the minister whether he has received this reference and, if so, what action he intends to take?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, my colleague took the matter up with me immediately. The Prices and Incomes Commission is conducting a preliminary inquiry.

Mr. Saltsman: Could the minister give an indication when the Prices and Incomes Commission will be reporting, and could he also indicate whether he intends to ask the banks to suspend these charges until that report is available?

Mr. Basford: Mr. Speaker, the answer to the first question is no, I cannot. They are masters of their own work and when they have completed their inquiry will of course make a report. In answer to the second part of the question, I suspect that an inquiry of that sort coming from the Minister of Finance would have more effect than one coming from me.

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[Translation]

EXTERNAL AFFAIRS

BARBADOS—INCREASE IN CANADIAN AID

Mr. Henry Latulippe (Compton): Mr. Speaker, may I direct a question to the Parliamentary Secretary to the Secretary of State for External Affairs?

Can he tell the House whether the government intends to increase substantially, during the next two years, Canadian aid to Barbados, as stated recently by Senator Richard Stanbury, president of the Liberal Federation?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am in a position to confirm that Canadian aid to Caribbean countries will be increased during the current year.

I wish to add that further to our regular program of bilateral assistance, we will contribute to an agricultural development fund for the West Indies.

Finally, I should like to tell the hon. member that we are also members of the West Indies Development Bank, whose activities are merely beginning to make themselves felt, and to which Canada will certainly contribute in a significant way.

* * *

[English]

AIRPORTS

TORONTO—DECISION ON SITE FOR NEW FACILITY

Mr. Kenneth Robinson (Lakeshore): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact the minister has received a letter from the Board of Trade of Metropolitan Toronto concerning the announcing of the location of the proposed site for a new international airport for Toronto, and in view of the board's concern that delay in making this known has an undesirable effect on private investment decisions for commercial and industrial establishments directly related to air transport, would the minister now advise the House where the site is to be located or when he will be able to make this announcement?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the hon. member's mail must be more efficient than mine because I have not personally seen that letter to which he has referred, though it may have reached the department. In reply to the second part of the question I can only repeat what I have said on numerous occasions, namely, that I am waiting for an appropriate time to meet with the government of Ontario. Initiatives are being taken today to see whether such a meeting can be arranged for next Thursday or Friday.

* * *

URBAN AFFAIRS

PROVISION OF MORE ADEQUATE SHARE OF FISCAL REVENUES TO MUNICIPALITIES

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the minister responsible for housing and urban affairs. As the Lithwick report has confirmed that the source of the problems facing the municipalities is the discrepancy between their responsibilities and their revenues, can the minister tell the House if his department will go as far as the report recommends that his colleague the Minister of Finance go, that in the actual constitutional revision the municipalities be provided with a more adequate share of fiscal revenues?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, it would obviously be premature for me to make any such commitment or comment.

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POST OFFICE

RESUMPTION OF MAIL SERVICE WITH UNITED KINGDOM

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Postmaster General. In view of the importance of the post office in the games people play could the Postmaster General inform the House and the people of Canada when we might expect resumption of mail service with the United Kingdom?

Hon. Jean-Pierre Côté (Minister without Portfolio): I will look into that, Mr. Speaker.

* * *

ENERGY

INQUIRY AS TO STATEMENT ON POLICY—PRESENTATION PRIOR TO DECISION ON MACKENZIE VALLEY PIPELINE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. When can we expect a statement in the House on Canada's energy policy?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I think I make many statements in the House on Canada's energy policy. I will try to make them more lucid so my hon. friend can comprehend them.

Mr. Harding: Will this government policy be presented to Members of Parliament and the Canadian people for discussion before any decision is made concerning a possible pipeline down the Mackenzie Valley?

Mr. Greene: Mr. Speaker, I do not think there is any necessary correlation between any pervasive or new statement on energy policy and a decision in respect of the Mackenzie Valley pipeline.

POSSIBLE MACKENZIE VALLEY PIPELINE—ECOLOGICAL SURVEY

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, could the Minister of Energy, Mines and Resources inform the House whether his statement of March 3, in the House that the National Energy Board will be conducting the ecological survey of this pipeline is correct or whether the department of the environment under another minister will be conducting such a survey?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I think the guidelines issued by myself and the Minister of Indian Affairs and Northern Development in August of last year make this very clear. The ecological issue is one thing that is inherent in any application before the National Energy Board, but because the Department of Indian Affairs and Northern Development has special authority over the northern territory that department too will have a responsibility in respect of the ecological safety of the pipeline if built.

POSSIBLE MACKENZIE VALLEY PIPELINE—CONSULTATION WITH PEOPLE OF YUKON AND NORTHWEST TERRITORIES

Mr. Eric Nielsen (Yukon): Mr. Speaker, will the relevant departments be consulting with the people most concerned through their elected representatives, namely the councillors of the Yukon Territory and the Northwest Territories?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): That is a responsibility which would fall under my colleague the Minister of Indian Affairs and Northern Development, but certainly in the guidelines issued by the two departments it is envisaged, and I think stated very clearly, that the rights and well-being of the indigenous people would be one of the prime considerations.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the fact that the minister said he has made many statements on this and indeed, on other subjects, will he inform the House which of these many conflicting statements is government policy?

* * *

THE SENATE

INQUIRY AS TO APPOINTMENT OF HON. JOHN ROBARTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister, but first of all I should like to take this opportunity to welcome him to membership in the husbands' union. On December 28 the Prime Minister stated to the press that he intended to give consideration to the possibility of appointing the Hon. John Robarts to the Senate of Canada. Has he had a chance to consider that matter in recent weeks along with other important matters he has had on his mind, and can we expect an announcement in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must confess my mind was on other matters in recent weeks. When it comes to joining a union the only one I would want to commit myself to now is the union with my wife.

Some hon. Members: Hear, hear!

* * *

TRANSPORT

TRANSFER OF SHIP FROM PRINCE EDWARD ISLAND FERRY SERVICE TO SYDNEY-NEWFOUNDLAND ROUTE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Minister of Transport. Can the

minister advise if he has now communicated with the Premier of Prince Edward Island regarding the spiriting away to Newfoundland of the largest and newest ship of the Prince Edward Island-New Brunswick ferry fleet, and has he given firm and formal assurance that this boat will return to service between Borden and Cape Tormentine annually from October to May?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, with regard to the question the hon. member asks may I say I have had extensive conversations on the telephone with the Premier of Prince Edward Island. As is his custom he expressed great concern for the well-being of the province of Prince Edward Island which he directs so well—

Some hon. Members: Hear, hear!

Mr. Jamieson: —and certainly I really did not need a copy of the earlier proposed motion because it is verbatim almost as if it were taken from a much earlier submission on this subject made by the Premier of Prince Edward Island to me. I am preparing a reply to that now with a view to having it tabled. I will be glad to table it in the House as he will do in Prince Edward Island.

Mr. Macquarrie: The minister advised my colleague from Calgary North that he was considering legislation against pirating of aircraft. Is he doing something about the pirating of ships?

Mr. Speaker: Order, please.

Mr. David MacDonald (Egmont): Mr. Speaker, in the same connection may I say I resent—and I might phrase this as a point of order—the suggestion that perhaps my motion was in some way an attempt to repeat the earlier representations from the Premier of Prince Edward Island. In relation to my supplementary, in connection with the two new ferries that supposedly are to go into service in May, one in the early part and one in the latter part of May, will the minister give assurance to the people of Prince Edward Island that no substantial change will be made in the car-ferry service until both these ferries have proven themselves, as I believe—

Mr. Speaker: Order, please.

Mr. Jamieson: Yes, Mr. Speaker, I can give that assurance. I have already given it to the hon. member for Hillsborough before the Committee on Transport on two separate occasions. Any proposals for changes in the ferry services will not be carried through until such time as the new ferries are operating satisfactorily. I have also given the commitment that we will certainly make sure the service to P.E.I. is maintained at a high level.

[*Later:*]

Mr. James A. McGrath (St. John's East): I wanted to ask the Minister of Transport whether he can assure the House, and especially members from Prince Edward Island, that the acquisition of the new ferry, the *John Hamilton Gray,* will increase the carrying capacity of those ships servicing the gulf to the point where substantially increased quantities of P.E.I. produce moving into Newfoundland will be carried?

Mr. Jamieson: That is part of the plan, Mr. Speaker; indeed, we have started on that already. There is a subvention provided for that in the estimates at present.

Mr. Speaker: Perhaps the hon. member for Egmont might be allowed to ask a last supplementary.

Mr. MacDonald (Egmont): In view of the possible transfer and possible renaming of the ship, I wonder whether the name "Benedict Arnold" has been considered?

Mr. John Lundrigan (Gander-Twillingate): Can the minister indicate whether the *John Hamilton Gray* has been renamed Joseph R. Smallwood? If not, can he—

Mr. Speaker: Order, please.

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NATIONAL DEFENCE

DOCKYARD EMPLOYEES WAGE DISPUTE—INQUIRY AS TO MEETING OF PARTIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my short question is directed to the President of the Treasury Board. Can he indicate whether negotiations will resume soon between his department and the striking east and west coast ship repair workers?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am glad to reassure the hon. gentleman that there will be conversations tomorrow, Wednesday, between the dockyards' council and Treasury Board.

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TRADE

POSSIBLE ESTABLISHMENT OF CENTRAL MINERAL EXPORT AGENCY

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to address my question to the Minister of Industry, Trade and Commerce. Can he advise the House whether his department has been meeting with industry to discuss the establishment and/or need for a centralized Canadian mineral export agency?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Not to my knowledge, Mr. Speaker, and I have checked.

[*Translation*]

BANKRUPTCY

STUDY GROUP REPORT—REFERRAL TO HOUSE COMMITTEE —QUEBEC OPPOSITION TO CERTAIN RECOMMENDATIONS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs.

I should like to know when the minister will entrust to an appropriate committee of the House consideration of the report on bankruptcy that is now in his hands. Also, I should like to know what answer has been given by the minister to the Quebec Minister of Justice, who has expressed serious reservations regarding this report?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): In answer to the first part of the question, it is my intention to introduce a bill which in the normal course of events would, of course, be referred to a committee of the House. In answer to the second part of the question, I have had no communication from the Minister of Justice of the province of Quebec other than his wanting sufficient time for the province to formulate its position on the report and make that position known to me and to the public. I have willingly acceded to that request.

[*Translation*]

Mr. Asselin: Mr. Speaker, I want to put a supplementary question.

Does the minister intend to give sufficient time to all parties wishing to make representations about the report on bankruptcy to appear before the Standing Committee of the House in order to discuss it and to express their views on the subject?

[*English*]

Mr. Basford: No it was not, Mr. Speaker. Of course anyone—and I have made this very clear—who wants to comment on the report is free to do so. I have been having some meetings with groups that are interested and my officials have been meeting with others. Over the next few weeks we have a number of meetings planned with groups that have asked to see us on the question of bankruptcy.

* * *

LABOUR

INTRODUCTION OF AMENDMENTS TO CERTAIN ACTS

Mr. Lincoln M. Alexander (Hamilton West): My question is directed to the Minister of Labour. Following his announcement regarding amendments to the Canada Labour (Standards) Code and in view of the fact that other Acts, particularly the Industrial Relations and Disputes Investigation Act and the Canada Fair Employment Practices Act are so interrelated, is the minister in a

position to announce now when he intends to bring in amendments to the Acts just mentioned?

Hon. Bryce Mackasey (Minister of Labour): As the hon. member indicated, I hope to bring forward substantial changes to the Industrial Relations and Disputes Investigation Act in this session of Parliament. We also have completed within the department a review of the Canada Fair Employment Practices Act, and we are now formulating policy and recommendations for the cabinet.

* * *

BUSINESS OF THE HOUSE

TIME LIMIT ON SPEECHES ON BUSINESS OF SUPPLY MOTION

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the debate that is about to take place on the motion of the hon. member for Greenwood (Mr. Brewin). May I suggest a slight change for today in Standing Order 58 (13) which provides that the mover of the motion and the person replying for the government shall have 30 minutes and everyone else 20 minutes. I think you will find that there is general agreement to permit 30 minutes to each of the four party spokesmen who lead off and a maximum of 20 minutes to the rest of today's speakers.

Mr. Speaker: Is there agreement to the suggestion made by the hon. member for Winnipeg North Centre that the first four speakers, including the hon. member who is moving the motion, be allowed 30 minutes and that all other contributors to the debate be allowed 20 minutes?

Some hon. Members: Agreed.

• (3:00 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S O. 58—STATUS OF WOMEN—IMPLE-
ALLOTTED DAY S.O. 58—STATUS OF WOMEN—IMPLEMENTATION OF RECOMMENDATIONS OF COMMISSION

Mr. Andrew Brewin (Greenwood) moved:

That in the opinion of this House, the government should immediately designate a minister of the Crown to co-ordinate the implementation of the proposals contained in the report of the Royal Commission on the Status of Women which come under federal jurisdiction, and that it should give special and urgent consideration to the implementation of those recommendations designed to establish a basic equality of rights between men and women, including the recommendation for the inclusion of housewives in the Canada and Quebec Pension Plans, the provision of maternity benefits under the Unemployment Insurance Act, the adoption of a national day care act, the initiation of a family planning program and certain amendments to the Criminal Code, and equal treatment in the federal public service; moreover that the government should convene a federal-pro-

vincial conference to consider the implementation of the recommendations of the commission which fall within provincial jurisdiction or which are the joint responsibility of the parliament of Canada and the legislatures of the provinces.

He said: Mr. Speaker, the motion which I have moved is designed to encourage the early and substantial implementation of the report of the Royal Commission on the Status of Women. We wholeheartedly approve of the central principle of the report. A meaningful equality of opportunity to share in the responsibilities of society as well as in its privileges and prerogatives should be afforded to everyone in Canadian society. The commission's report clearly reveals that at the present time women in Canada are frequently being denied their fair share of both the privileges and prerogatives.

The report is based on the principle enunciated in the Universal Declaration of Human Rights that all people are equal in dignity and rights. The implementation of the report would effect a needed and important change in society. It deserves the support of all citizens, of men as well as of women, and the serious attention of this Parliament.

We are, of course, well aware that legislative changes by themselves are not enough. We need a change of attitudes as well as of laws; we should not delude ourselves that equal opportunity of employment for women is likely to become a reality in a society which does not make and carry out the necessary plans to provide full employment for all. Nevertheless, the carrying out of the recommendations of the Royal Commission in the legislative field will have a tremendous symbolic and educational effect. It will bring about a genuine social revolution.

We are encouraged by the speech made by the Prime Minister (Mr. Trudeau) in Toronto last Wednesday in which he indicated his concern about this subject. Perhaps I could take as a text for my remarks two statements made by him in that speech. The first one is:

It is always easy to talk of change—talk is often an excuse for inaction.

Later, he said:

I invite all Canadians to exhibit impatience with our rate of progress in this respect.

We agree with the Prime Minister that talk of change in this sphere of the position of women in our society will not be enough. Inaction cannot be tolerated. It is time we in Parliament exhibited the impatience with our rate of progress which the Prime Minister has invited. I am sure the women of Canada are impatient. We must be impatient, too. What the women of Canada fear, and what we fear, is that the Prime Minister's words will be verified and "talk" will replace "action". It is for this reason that the motion which I have introduced proceeds beyond the realm of generalities. It calls for action upon certain specific key areas covered by the report of the Royal Commission.

The approval by this House of the motion which I have introduced will give the go ahead signal not for further studies, not for further task forces, but for legislation by this Parliament in accordance with the recommendations of the report. Our caucus has already studied the report. It has approved the report's main recommendations in a statement which we made public. We have promised to put the full weight of this party behind 50 of the report's recommendations which come under federal jurisdiction. It is impossible, of course, to mention all of the 50 recommendations in the time that I have available, but we have specifically emphasized in the motion certain key recommendations.

The first of these key recommendations is the adoption of a national day care act. The provision of day care centres is centrally important. As the royal commission points out, that was the subject of strong representations from every part of Canada. Day care centres are of supreme importance to women who are in the position of a single parent, who do not wish themselves and their families to depend on welfare, and who, if they are to take employment, must provide for the care of their children. Day care centres are important to large numbers of other women who, whether or not we approve of it, are involved and will continue to be involved in the labour force, and to many women who are not in paid employment, such as housewives who, for one reason or another, need day care services for their children.

• (3:10 p.m.)

We agree with the report when it asserts that it is not trying to compel women to take employment. The report recommends freedom of choice but this freedom of choice involves an opportunity to be employed under conditions of equality with men. There is a nation-wide need and demand for child care services. As the report says, private initiative cannot begin to cope with so large a problem. I remind the House that other governments have effectively done so.

We are aware, of course, that under the present Canada Assistance Plan the federal government pays half the operating cost of approved day care centres. The commission, however, points out that this has not brought about the provision of day care centres in numbers anywhere close to the need and the demand. It, therefore, recommends that the federal government should not only pay half the operating cost but, during an initial seven year period, 70 per cent of the capital cost.

My colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), who is herself a shining example of the effective role that women can play in public life—

Some hon. Members: Hear, hear!

Mr. Brewin: —will take part later in the debate and will expand on the need for national assistance for day care centres. I would just like to remind the House that the provision of day care centres is not something which should be done to satisfy a small group of women. It is of the utmost importance to the welfare of a very large number of children. The Dominion Bureau of Statistics, in its report made in April, 1967, shows that one in five mothers of children under 14, a total of 540,000 mothers,

are working and make up 24 per cent of the Canadian female labour force. Among them they have more than one million children of school age and pre-school age, about 18 per cent of all Canadian children. Of these it is estimated that about 167,000 do not require arrangements for their care, but this leaves some 908,000 children who require care arrangements. About 9,000 children in Canada are, in fact, getting this day care.

Research by Dr. Benjamin Bloom, who was mentioned in the commission's report, led him to conclude that 50 per cent of the individual's intellectual development takes place between birth and the fourth year, before the child has any contact with the school system. We have a grave social obligation to assist in the development of nearly a million Canadian children. It is not enough to say, as the Prime Minister did on Wednesday night last, that the Department of National Health and Welfare is prepared to enter into discussions. It must be prepared to make positive offers of increased assistance, as recommended by the royal commission. In this debate we would like to hear from the Minister of National Health and Welfare (Mr. Munro) not merely general statements of approval of the report, or of vague discussions, but an undertaking to proceed as rapidly as possible with this central recommendation of the commission on day care centres.

The work of the housewife does not appear in the statistics of the gross national product, although the work of the housewife is just as much that of a producer of goods and services as that of the paid worker. In a Canadian study prepared by this commission in 1968 it was estimated that the work of housewives, excluding volunteer work, amounted to 11 per cent of the GNP, or $8 billion. However, the housewife, because she is not paid a wage or salary, does not appear officially in the labour force. She is not able to provide for her security in old age as are wage and salary earners. Our resolution proposes that the Canada and Quebec Pension Plans be amended to allow a spouse to participate in these plans.

Women are entitled to adequate maternity leave, and paid maternity leave. The United Nations declaration on the elimination of discrimination against women provides not just for the principle of leave but for the principle of paid leave. We, therefore, propose and have mentioned in the motion that the Unemployment Insurance Act should be amended. It should be amended to provide for women contributors to be entitled to unemployment benefits for a period of 18 weeks, or for the period to which their contributions entitle them when they stop paid work temporarily for maternity reasons, or during a period for which they are receiving unemployment benefits and are unable to work for maternity reasons. The same principle requires the amendment of the federal Fair Employment Practices Act to provide for employed women's entitlement to 18 weeks maternity leave, and the prohibition of the dismissal of an employee on any grounds during maternity leave to which she is entitled. The provinces should also follow suit.

We are glad to read that the legislation introduced today by the Minister of Labour (Mr. Mackasey) to amend the Canada Labour Standards Code will include provisions for mandatory maternity leave. We will scrutinize this legislation carefully to see whether it lives up to the standards proposed by the report.

The government of Canada itself should be giving the lead in affording equal opportunity to women, not only for entry into but promotion in the public service. It is hard to preach to others what you do not practice yourself. Of employees under the Public Service Employment Act, there are 41,000 women. Almost 83 per cent hold office support or administrative support jobs. Only 1½ per cent are professionals and scientists. In 1968 only 444 women out of a total of 43,796 made over $10,000 annually.

In a report to the Public Service Commission by Kathleen Archibald, made in 1969, entitled "Sex and the Public Service," the following statement appears:

> The Canadian government has in the last few years adopted a passive approach, i.e. one that merely attempts to ensure that the existing structure is administered fairly; it does not concern itself with inequities built into the structure, but concentrates on educational campaigns to change attitudes, individual cases of discrimination brought to light through formal or informal complaints, and "token" appointments, that is, active attempts to get minority group members into a few particularly visible positions, with respect to equal employment opportunities for women. For several years before that there was no approach. And before that, the approach was on the negative side of passive —it was one of promoting unequal opportunities for women.

There may have been some improvements in the last year or two, as the Prime Minister has claimed, but they are minimal. The picture remains very much the same as that portrayed by Mrs. Archibald. The federal government must lead the way to ensure that those limits that contribute to discrimination in the Public Service are removed and provision made to encourage and enable women to work out of the home. In this connection it is my understanding that a program for part-time employment of women was instituted in the Public Service and has since been discontinued. This should be looked into and the question of part-time employment reconsidered. We recommend to Parliament the setting up of a women's program secretariat to promote the increase of women working in all levels of the Public Service.

The recommendations of the royal commission are all geared to providing women with more opportunity to compete for available jobs, and the recommendations are welcome. To this end, the Federal Adult Occupational Training Act should be amended so that full-time household responsibility be equivalent to participation in the labour force in so far as eligibility for training allowances is concerned. A bill to this effect, Bill C-89, has been put on the Order Paper by the hon. member for Vancouver-Kingsway. In the absence of government involvement, it will suffer the usual fate of a private member's bill.

More effort should be made to satisfy the educational needs of immigrant women. The report recommends, and we support this proposal, that there should be education in the native cultures for those in the public services dealing with Eskimo and Indian women, and encourage-

ment of native women to take training to equip them to work in the community building process.

The royal commission report deals with "Women and the Family." It refers to the statement of the Universal Declaration of Human Rights that, "The family is a natural and fundamental group unit of society and is entitled to protection by society and the state." With this statement we are in entire and enthusiastic agreement. I have already dealt with one of the major recommendations in this field and that is federal assistance for provision of day care centres. It would certainly have the effect of strengthening the family.

• (3:20 p.m.)

We also approve of the proposal that a family planning program should be initiated by the Department of National Health and Welfare with the objective of making birth control information available to everyone. This would include federal financial aid to establish birth control clinics and funds to train health and welfare workers in family planning methods. I hope that the Minister of National Health and Welfare, or someone delegated by him, will state his views about the implementing of this recommendation. I know that the Prime Minister has said that the Department of National Health and Welfare is taking steps to support the development of family planning in Canada. We would like to know what are the steps, and if they are the same steps as those specifically recommended in the royal commission report.

In our view abortion should be removed from the Criminal Code. The commission recommends that the Criminal Code be amended to permit abortion by a qualified medical practitioner at the sole request of any woman who has been pregnant for 12 weeks or less. This is a subject which the Prime Minister did not mention in his speech the other day. I would very much like to hear from the Minister of National Health and Welfare or the Minister of Justice (Mr. Turner) on this subject. The present provision in the Criminal Code has been a complete failure. It produces discrimination, degradation, and the present state of the law is responsible, in some cases in my view, indirectly for premature deaths. My colleague the hon. member from Vancouver-Kingsway will be discussing later in this debate the question of a family planning program and the question of abortion.

We also agree with the proposal in the report that the Divorce Act be amended to allow divorce after separation for one year. There is not much reality left in a marriage where the parties are separated for so long a period.

Part of the report of the commission deals with taxation and child care allowances, and recommends that the federal Income Tax Act be amended in order that the extra exemption allowed the taxpayer for a dependent spouse be reduced from the present $1,000 to $600 when the dependent spouse is under 60 years of age. Frankly, we do not agree with this recommendation. We think that the taxpayer is entitled to at least the present exemption but we do support the proposal for a federal annual taxable cash allowance for each child under 16 to be paid in monthly instalments to the mother.

We have supported and will continue to support a guaranteed annual income which would eliminate the need for separate deductions for dependants and family cash allowances. Until the day when this is implemented we think the recommendation of the commission should be adopted. We also agree with the proposal that the family unit concept be recognized under the federal Income Tax Act. I hope the Minister of Finance (Mr. Benson) is taking note of this recommendation and will incorporate it in the proposed tax reform.

The royal commission deals with the question of poverty. Pending the institution of a guaranteed annual income for all Canadians, we do heartily support the recommendation of the commission that a guaranteed annual income be paid by the government to the heads of all one parent families, and that the guaranteed income supplement to the old age security benefits be increased so that the annual income is maintained above the poverty level and that the supplement be adjusted to the cost of living index.

The royal commission recommends symbolic but important changes in the Immigration Act and the Citizenship Act, and I hope that the ministers in charge of these respective subjects will take note. I also hope that the Minister of Justice will look carefully at the proposals for the amendment of the Criminal Code. In particular, we support the proposal to repeal the discriminatory clauses in the Criminal Code dealing with prostitution and vagrancy.

Chapter 7 of the report deals with "Participation of Women in Public Life". The record on this subject speaks for itself. We do not believe, however, that the situation can be remedied by the recommendation in the report that two qualified women from each province be summoned to the Senate as seats become vacant. This recommendation seems to be inconsistent with the principle that women should have equal but not special status. We cannot support such a token recommendation.

We are happy to say that this party does not have a separate women's organization and that women as well as men are full members of the constituency, provincial and federal, organizations. I would like to point out to other parties which have not adopted the same rule the way in which this system works. We have developed within our party a fellowship based upon an equality of status. It works well. But although our party has led in the number of women candidates for election, we realize we have a long way to go before the goal of equality in practice is reached and political representation by women is accepted as a matter of course. We believe that we must all make an effort to have more women active in all areas of public life.

I have already made it clear that we attach the greatest importance to the actual implementation of the proposals contained in the report. As a first step to this end, we urge the designation of a minister of the Crown to be responsible for planning, co-ordination and implementation of the recommendations. I have already

indicated that many different departments of government are affected, including the Prime Minister's office, the Department of Labour, the Department of Justice, the Immigration Department, the Secretary of State Department, the Department of National Defence, the Department of National Health and Welfare, the Department of Finance, and no doubt there are many others. What is everybody's business is nobody's business.

Perhaps the Prime Minister himself would undertake the responsibility, but it may be that the burden of his other duties would make it impossible for him to do so. If so, the duty of following this report through, taking the responsibility in cabinet, giving adequate priority to the legislative program arising out of the report, should be delegated to a senior minister.

Those familiar with the report will be well aware that many of the recommendations fall within the jurisdiction of the provincial legislatures. This is particularly true in the field of the recommendations with regard to education which are designed to ensure that education as a whole, including textbooks, will portray women as well as men in diversified roles and occupations and not in restricted stereotypes. In fact, over 30 of the report's recommendations specifically call for a joint approach, that is for participation and co-operation between different levels of government. We, therefore, have included in the motion a proposal to convene a federal-provincial conference to consider the recommendations of the commission which fall within provincial jurisdiction or which are the joint responsibility of the Parliament of Canada and the legislatures of the provinces.

It is our conviction that if the report is effectively implemented it will make for a healthier and happier society. The onus is on us. We know that an extensive legislative program is not carried into effect overnight. But we suggest that there is more than the usual need for urgent, persistent and even impatient activity to implement the report. The confidence of a large part of the Canadian people in the efficacy of parliamentary institutions is at stake. There are many people, including many women, who are watching what we propose to do in this regard. This party will co-operate and even insist, in so far as lies within its power, that this report will not be pigeonholed. We urge that the report should be used as a basis for a fundamental far reaching revision of human relationships and for greater justice for women in Canada.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, a 17th century French feminist complained that "All that has been written about women by men is suspect for the men are at once judge and party to the lawsuit". I wonder if it is a valid query whether all that will be said today will be equally suspect.

• (3:30 p.m.)

I shall try to be objective as I respond to the motion on behalf of my party but I often question whether there is or, for that matter, should be total objectivity. I speak, hopefully in no way smugly, from the vantage point of watching members of my own family who in days gone by asserted their right to independent status. A great aunt was amongst the first graduates in nursing from Bellevue Hospital in New York and another was dean of women at McGill University. Their nieces, equally independent were and are part of the university scene in Canada and the United States. One, of unforgettable memory, was so anxious to avoid platitudinous farewells from people she did not particularly like that she retired from university service one year early. My sister was, almost until her death, a lawyer with a busy practice. I cite what are obviously personal references so that my colleagues will understand the perspective from which I address myself to this question. I am strongly dissatisfied with the traditional restrictions on women's role. Most enlightened males share this view and join women in opposition to the restrictions. I cannot imagine that very many people would want to close off any traditionally male occupations to competent women or condone unequal pay for equal work.

Where the agreement breaks down, suggests a note to the reader in the current issue of *Dialogue,* "is on the relative importance of biology and culture in determining the past and present roles of women in society. Has modern technology made the bilogical distinctions between the sexes largely irrelevant to their social functions? Or are there profound instinctual and temperamental differences that point to at least partially different paths for fulfilment?".

It is my hope and expectation that today's debate will help to answer these questions, and that the report of the Royal Commission on the Status of Women will be used by the government as a program for action, so that the rights and needs of women in Canada will be met. It is neither trite nor tendentious to say that Canada and the world need the special talents of women for nurture and conservation. Margaret Mead, one of American's most distinguished anthropologists, sees the liberation of women coming from a new partnership with men, rather than a struggle against them. Margaret Mead writes evocatively of the expansion of women's role of staying close to the hearth, caring for young children and preparing food. "However much later generations elaborated this pattern, with greatly extended families, complex systems of feudal inter-relationships and one-sex religious communities, this central core remained."

She went on to write:

> But such was added to it. To the care of the infant and toddler was added the protection of young people through adolescence, the care of the sick and the care of the old. And a place was found for the wisdom and wider generosity of women past childbearing, who were heavy with the memories of earlier solutions and free to care, not only for their own children—with fierce maternal protectiveness, as the young mothers did—but with a wider concern for all the children within the community. Elaborate rituals grew up around death, and it was women who straightened the limbs of the dead and washed their bodies for burial. Knowledge of midwifery grew, and it was women who attended woman in labor, washed the newborn, and wrapped him, in bark or swaddling clothes, and laid him on his first bed.
>
> Wherever religious or social attitudes flowered in a new concern for the welfare of the poor and the sick and the

orphaned, it was women who arranged to take on these widened responsibilities. As widows or members of religious orders, they continued these extended activities that had once been confined to the home. Then as nurses, and as teachers, their traditional role was widened. In the early days of the United States, it was the raised voices of valiant older women, who fought against slavery, against child labor, against the horrors of the slums; who fought for schools, for libraries, playgrounds, legislation and funds, to improve our communities and to protect our children. Many of these women were unmarried, and gave their entire lives to make a world safe, not for their own children, but for all children. In England, even as late as World War II, it was devoted unmarried women who carried a tremendous amount of the burden in the days of bombing and buzz bombs.

It seems to me, Mr. Speaker, that we are the inheritors of this tradition; of women who left their homes, many of them never to return, to extend the services once performed within the home to the wider world outside. We may well ask, in these days of great freedom, when education is as open to women as to men, when the great professions of medicine and law, teaching and scientific research are open to women, how do we stand? The answer is very simple: we stand very badly indeed. The royal commission spells out just how badly, and presents the government with a substantial list of recommendations. I want to discuss the report and some of its more important recommendations as I proceed in this debate.

There are three central and pointed criticisms generally made of the report of the Royal Commission on the Status of Women. They all, I think, contain some merit. The first involves the too great attention to detail by the commissioners themselves. This, say critics, will go some way toward preventing the quick acceptance of major recommendations. The second criticism relates to the possibility or perhaps probability that the report has been superseded by events. A great deal has happened regarding women's rights since the commission was established. "Women's Lib." has become a force to be reckoned with, and there are those who say with some contempt that the mild recommendations of the report do not go nearly far enough. The third criticism relates to a form of tokenism noticed in the report. This is evident, particularly in those recommendations regarding representation in the Senate and parts of the public service.

There is another, general comment that is often made about the report, and it has to do with its readability, or lack of it. I am not sure whether I am a fair judge of this. One observer noted that, "as a literary document, the report rates somewhere below that of the Royal Commission on Taxation and rather higher than the one on farm machinery." The problem with this criticism regarding the elegance of language is that it tends to give an excuse to those who would summarily dismiss the very valid list of recommendations contained in the report. There is, of course, some truth to all the criticisms. I have listed them in order to make this debate, hopefully, more relevant. The fact of the matter is that the general criticisms really have gone beyond the point of relevancy. They are now irrelevant, because the only valid criticisms of the report much be specific and in reference to particular recommendations. The tone of the report, the general

[Mr. Fairweather.]

thrust, must, I suggest, be approved, along with recommendations on some of its particular suggestions.

These provisos are not brought forward in any attempt to protect myself or my party. They are, instead, an attempt to give validity to the whole series of recommendations. Each recommendation, obviously, must be studied and judged, not on the premise that women deserve special status or have been discriminated against in the past and so require special treatment now, but on the firm belief that they should be treated and judged on their merit as individuals, nothing more or less than that. The systematic and thorough listing of these inequalities in law, the documentation of discrimination, is probably the most valuable aspect of the report, and it enables us to deal with these inequalities in a systematic way.

However, the report illustrates the basic difference between equality of rights and equality of opportunity. Equality of rights can be achieved through the implementation of some of these recommendations, some of those regarding taxation reform, day care centres, maternity leave, and especially those involving reform of the criminal law regarding the laws of vagrancy and so on. Equality of opportunity is more difficult. It involves not only a change in the law or new legislation but rather, or in addition, a change in the basic attitudes of society.

• (3:40 p.m.)

The old maxims and accepted beliefs that a woman's place is in the home are being outstripped by urbanization, increased leisure time, new social welfare measures and new technologies. We require new and more realistic responses to a rapidly changing social order. The organization and function of each member of the family has been gradually altering over the years. Indeed, Governor General Georges Vanier pointed to this as one of society's great challenges; to recognize and deal with this change in family life, and to do it in such a way that the family is not torn apart in the process is a matter of fundamental responsibility for government and Parliament. He was one of the first of Canada's public figures to recognize this and launch research projects into changing family life in the modern world under the auspices of the Vanier Institute of the Family, the funding of which was established in his memory. I think it is a useful adjunct in the ongoing research into this very basic and core matter of our whole social order.

We adapt to this change and try to make it as easy as possible for a woman to live her life to the fullest, while at the same time ensuring care for her children. The woman, on the other hand, must realize that, with her new status, she has added responsibilities. The basic problem, even after government action is taken on all aspects mentioned in the report, is the attitudes that society holds towards women. And these will still be with us. One of the Toronto daily newspapers attempted to criticize the commission's report on the basis that it did not give us an answer on how we can change this attitude. It chastised the royal commission for not coming up with an answer to this dilemma. As a philosopher said in another context, you cannot compel men to be just.

All that governments can really do is lead. That is their mandate. They can influence people because of the information they give and the leadership they exercise. They can lead people into changing attitudes and ways of thinking about problems. Surely, this is what must be done with reference to the report of the royal commission.

The government can make itself a model by ending all forms of discrimination against women in the public service, for instance. All governments can work together toward establishing day care centres so that the women can be free to find self-fulfilment in the career of their choice. I suggest that if the government finds a constitutional hangup on the matter of day care centres, it could exercise leadership by establishing as a pilot project a national day care centre for the children of people in the public service in this capital area. Experience would be gained from this pilot project and provincial jurisdictions and other federal jurisdictions, such as the armed forces and the RCMP, could find their fulfilment in day care plans.

We must not over-react to the situation. I find that a good deal of debate, not particularly here because unfortunately we have had very little debate, but some of the public debate is so shrill and strident that the issues being discussed are being drowned out in slogans and rhetoric. Unfortunately, this is all too true of much of public discussion in our time.

A former moderator of the United Church has pointed out that Canada is put in a paradoxical situation because the status of women in developing and so-called backward countries, such as India, grew much earlier and more rapidly than for women in Canada. He said:

> Therefore, the struggle for equality instills over-reaction—This is not healthy, nor is it in balance.

This tendency to over-react has led to what are, in effect, other forms of discrimination. The recommendation of the commissioners regarding appointments to the Senate are an example of discrimination in reverse; women are not being appointed on their merit as individuals but because they are women. This does nothing but perpetuate a form of discrimination. This particular recommendation has received more criticism, I suppose, than most. This is good, because it shows that the public realizes what is wrong with it.

No doubt the type of over-reaction expected of us in this House is of the other kind, the reactionary approach typical of male chauvinists. I say with all earnestness that what we seek is a balanced view of an extremely important and fundamental subject. I entered this debate armed with a mass of statistics, most of which can be found in the report. There are one or two which might be useful in underlining my comments.

The 2.5 million Canadian women who work at paying jobs occupy an obviously inferior status to their male counterparts. Women hold less than 1 per cent of the top corporate positions in Canada. Only 2.3 per cent of all working women were in managerial positions in 1967. Women receive less than 20 per cent of the total incomes of men and women, 37 per cent of gross dividends from stocks, 36 per cent of rental income and, if anybody cares, 31 per cent of mortgage interest. Women earned 15 per cent to 22 per cent less than men working under similar conditions according to 1961 census figures. In universities, women academics earn an average of $2,000 per year less than male academics. In the federal public service, 41.2 per cent of women earn less than $4,000 annually as compared with 7.1 per cent of the men. I will not go on to bore the House with a long list of statistics. They are in the report and in other research data on this subject.

The commission adopted four principles: first, that women be free to decide whether to work inside or outside the home; second, that the care of the children be a joint responsibility of parents and society; third, that women need special treatment because of pregnancy and childbirth; fourth, women will need special treatment to overcome discriminatory practices.

I have tried to identify what I think are eight or ten of the more important of a very long series of recommendations. Hon. members will recognize that these are choices that I have made. Other participants in the debate will obviously have another list that commends itself to them. The first surely must be the recommendation about the day care centres and a national day care act. I suggested that the government might spearhead this with a pilot program for children of people working in the public service. There are amendments to the National Housing Act which could permit loans for the construction and renovation of buildings for use as centres. I am sure this is part of the consideration in which the department is even now engaged.

• (3:50 p.m.)

As those who have read the Commission's report will know, there is a dissenting opinion by Professor John Humphreys. He rejected the proposal to spend half a billion dollars on day care on the ground that it would be an intrusion into an area of provincial jurisdiction. More than that, he believed the concept was wrong because it would establish day care centres as part of a welfare scheme. With great respect, I do not accept this dissent. I believe the urgent need for day care has commended itself to people who work in this field; perhaps it has not yet commended itself to all parliamentarians, but it certainly has done so to those who are concerned with on-going social needs.

The second on my list is the issue of abortion. The Commission speaks of this issue very clearly. Obviously, an issue which affects each of us in such a fundamental way should be made the subject of a free vote in parliament. Surely, a change in the law cannot be too much longer delayed. It seems to me that the law governing abortion must match with other social legislation so as to provide a comprehensive approach to the whole issue. Many women find motherhood a happy prospect but must resort to abortion because they cannot extricate themselves from difficult living or working conditions. Until there are sufficient opportunities for women to maintain an acceptable standard of living through easy access to day care centres and fair labour regulations,

simply liberalizing the abortion law will not solve anything.

There has been a statistical battle, a battle of figures, going on all this winter between the extremists on this issue, those who want abortion on demand and those who feel, very sincerely and genuinely in my opinion, that there should be no alteration in the law. I beseech the government that when this issue is considered by us, Members of Parliament should be allowed to vote as individual members according to their consciences.

I have already used a great deal of the time allotted to me, but there are five or six other issues which remain. The report suggested the government study the idea of permitting the spouse at home to contribute as a self-employed worker to the Canada and Quebec pension plans. There are other recommendations affecting family allowances and taxation. The difficulty here is that the recommendations run counter to the approach taken by the government in the white paper on income security. The idea of a taxable bonus in respect of every child under 16 has met opposition from those who believe that the world population explosion should be discouraged, not encouraged. The recommendation did not place a limit on the number of children in respect of which a mother could receive $500.

The recommendations go on. For instance, the minimum age for marriage should be 18; the Divorce Act should be amended so that the three-year separation period now provided would be reduced to one year. Then, there is a very helpful section on the whole question of a guaranteed annual income, whether by way of negative income tax or by a rationalization of payments. As I have mentioned, there is a recommendation in relation to public office; it is recommended that a certain number of seats in the Senate be reserved for women. Personally, I do not accept this recommendation believing it to be an extension of the very discrimination which the report seeks to avoid. Then there is the point which was well-made by the hon. member for Greenwood (Mr. Brewin); it has been made by others engaged in the practice of the law, namely, that prostitution should be regarded as a social, not as a criminal problem. That part of the Criminal Code which deals with vagrancy, section 64(1) (c), is discriminatory because it singles out women and restricts the right of women to move about in freedom. Surely, at this stage in man's evolution the section to which I have referred should be changed.

The report contains some plans for action. It speaks of establishing implementation committees at federal, provincial and municipal levels composed of senior administrators and so on. It suggests the establishment of a human rights commission at federal, provincial and territorial government levels. It looks to the establishment of a permanent Status of Women Council, national in scope. I agree with the point made by the hon. member for Greenwood: there should be one minister responsible for the on-going aspects of this report. The government cannot allow this report to lie fallow.

As stated by the Canadian Federation of University Women, the issues which arise are not beyond the area of interest or concern of any Member of Parliament. The concerns we discuss today are real concerns felt by real people. If I have a minute left for philosophy, Mr. Speaker, I cannot help noticing the aptness of a quotation by Tom Wicker in the New York *Times* who reminded us of an occasion when Robert Penn Warren spoke wittily of the forgetfulness, among politicians, of real issues. He was commenting on American poetry. Marianne Moore had said her kind of poetry deals with real toads in imaginary gardens. The kind of poetry in Congress, and it would not be stretching it too much to include this parliament, might often seem very similar to hers. It deals with real solutions to imaginary problems. Occasionally, it deals with imaginary solutions to real problems. Sometimes, however, and this is where genius begins to be inflamed, it deals with imaginary solutions to imaginary problems of imaginary people. If that kind of poeticizing could not touch us where we live, Robert Penn Warren asks us, then what can? The answer is easy: any kind that is real, for the disease of our time is the sense of being cut off from reality. Man feels that a screen has descended between him and nature, between him and other men, between him and himself.

What I have been trying to do is to discuss this issue first from a little bit of a philosophical view followed by an appraisal of the Commission's report, some statistics to give the necessary thrust, and then an identification of the more important recommendations. As I have suggested, the government ought to designate a minister to be responsible for the co-ordination and implementation of the recommendations. The partnership of which I spoke at the beginning of my speech, the new partnership between women and men rather than a struggle of women against men, prompts us to recognize that women want to be treated as people, as full human beings. There must be a new regard for women's traditional occupations, within and outside the home. Otherwise there is a very real danger that we shall lose what is most precious in human life, the ability to give devoted and cherishing care to other human beings, just at a time in human history when it is most imperative that we learn how to expand our capacity for caring and translate it into ways of protecting the earth itself.

• (4:00 p.m.)

We have been told how to begin, Mr. Speaker; let us then begin.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, first may I thank the mover of this motion which allows us to state our views on the status of women in Canada.

Many comments have been made already on the report of the Royal Commission, but those of the people's representatives are obviously very important since the Canadian electorate has give us legislative power.

When we speak of the status of women in Canada, we must go back to what precisely started this talk. For centuries, our eastern mentality has been conditioned to a factual situation. Woman is not the equal of man. The analysis of what brought our world to this line of

thought would take too long. I will therefore limit myself to an acknowledgement of this situation.

For many generations, outstanding evidence has been offered that there were no reasons for considering one half, at least, of humanity as inferior to the other. Little by little, a few scraps of rights and privileges were granted, which no doubt improved the situation.

An individual capable only of preparing meals and looking after children was made a more responsible being by the granting, for instance, of the right to vote. Then this was discussed more and more widely, until some degree of civic and legal equality was achieved.

In other words, the total emancipation of women is accepted, but with some reservations. All too often, this emancipation remains theoretical. In practice, people continue to act as though women were at an inferior level.

I suggest, Mr. Speaker, that this situation is deplorable and that it even proves disastrous. The result is obvious, in the form of a society headed almost exclusively by men. I realize that a whole mentality and deeply rooted habits may have to be changed in order to achieve complete equality. Perhaps women themselves are not enough aware of every opportunity available to them.

However, I feel we should do a lot more to speed up the process of emancipation and progress of Canadian women. On the basis that there is to be no difference between man and woman apart from the physiological point of view, one is entitled to wonder why practically all management and legislative activities are carried out exclusively by men.

Obviously, if the true principle of democracy were to be integrally applied in this House, half of our representatives would have to be women since the population of any country is divided somewhat equally into males and females. Fortunately, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) is here to save a small fragment of democracy.

This situation would be corrected by effecting a new distribution of the Commons seats. Canada could have some 150 constituencies represented by both a male and a female member. Then the absolute equality we are seeking would thus be achieved at the parliamentary level.

Some people will laugh at this suggestion but when we see so many men apparently lost in a maze of thoughts which are more or less constructive, I wonder the practical way of thinking and action which characterizes women could not bring a little more efficiency to the business of this House.

Their practical common sense, their taste for what is concrete, and even their intuition would offset the lucubrations of some hon. members. Women in this country have been proving for generations that they know how to manage a house and are quite able to do so. Most of our homes, at least in Quebec, have been managed by women. They have been entrusted almost exclusively with the education of children at home, and they have done a marvellous job.

And what about the tremendous success obtained by all the institutions run by nuns? Mr. Speaker, I say it again, there is a lack of women in our government services. They have neither soul nor heart. How I understand why the Prime Minister (Mr. Trudeau), has at last decided to fill the void in his life! May his charming wife, by sharing somewhat his authority, make more flexible he who was turning into the greatest dictator of all Canadian Prime Ministers.

To come back to the precise wording of the motion, I would like to point out the uselessness of the recommendation for—

—the inclusion of housewives in the Canada and Quebec Pension Plans—

—and I explain myself, Mr. Speaker.

All women who contribute to pension plans will be entitled to benefits. Therefore there is no problem in that area. The problem is not there, but rather in the fact that the housewife, in the home, is not considered a worker in the same capacity as any other employee. She works unceasingly to achieve a grand objective, that of preparing our youngsters to take their responsibilities tomorrow, or to support the actions of responsible adults. In short, the woman in the home is a professional and at the same time a manual worker. Yet, she is not paid for it. That is unfair, Mr. Speaker. And so, the problem would be solved by granting adequate compensation to the woman in the home. She could be included in pension plans and receive the benefits provided for at the proper time.

The maternity benefits mentioned in the motion under consideration deserve my whole support. It is loathsome to see unemployment insurance investigators discourage mothers-to-be by telling them that they are not entitled to benefits owing to their condition. This is degrading the most beautiful function of mankind, which has enabled all of us to be here and is responsible for our existence. This deficiency should have long been corrected.

As for the establishment of a family planning program, I am reluctant when I think about the real intentions of our good friends from the N.D.P.; as for their planning, ranging from all kinds of contraception means up to abortion, I cannot accept it.

In a country as rich as ours which has to deal with overproduction problems, in a vast country where communication problems arise, a country in which, among other things, the birthrate has decreased to a point which I find alarming—especially in Quebec where the average has suddenly declined from 5.4 to barely 1.8 per family, such conditions are, in my opinion, disastrous.

At this rate, the francophone element of our country shall disappear more or less rapidly. That is no doubt one of the reasons why certain people want desperately to establish a boundary around Quebec.

As for the other recommendations of the motion, I think that these deserve full consideration from the House. Equality of treatment in the public service is intimately tied to the basic principle: equal work, equal salary. No discrimination should be tolerated in this respect.

Calling a federal-provincial conference for considering implementation of the Commission's recommendations

which pertain to provincial jurisdiction, or which are under joint jurisdiction of the Parliament of Canada and of the provincial legislatures, is essential. Quebec has particular rights that it wants to keep in their integrity, and unilateral decision making in this field would be most unwelcome.

Mr. Speaker, in short, the importance of the question raised in this debate is self-evident. I hope that all Canadian women will realize that the time has come for them to assume their responsibilities and to stop letting the men alone work out their liberation. We of the Ralliement créditiste are ready to let women invade our ranks. In saying this, I am in no way referring to Gilberte Côté-Mercier and her group, nor even to the wife of a certain Pierre Mercier of Vancouver.

• (4:10 p.m.)

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I believe the New Democratic Party does us and Canada today a service in bringing out for public debate the matter of the status of women in this country. The government welcomes the debate. We hope it swells and continues across the land. I say that for the sake of Canadian women and for the sake of the general goals in respect of social equity in Canada, and not specifically for the sake of the New Democratic Party. I might add that the party that thinks of itself as both the conscience and the foretaster of Canadian politics does well to act as our polestar today, pioneering for women with all the vision of Lester B. Pearson and the present Prime Minister (Mr. Trudeau).

Perhaps my hon. friends opposite will forgive me if I should appear to be a little partisan, which is not my natural style. However, I must say that my moral indignation at the mediaeval laxity of this government regarding women is a little hard to raise when the N.D.P. attacks us just six days after the Prime Minister, in a major statement of policy, made this promise:

> I pledge the full support of the Liberal government to the removal of discrimination and the provision of opportunity to women in all fields of Canadian life.

That may be a case of unfortunate timing for the NDP, but it is a solemn promise by a government that does not make many promises. It is a promise of quick government action on all the recommendations, that are considered feasible and within federal purview, of the Report of the Royal Commission on the Status of Women. As hon. members know that report was tabled in December and, as I shall detail later, we have already begun to implement as far-reaching process for action. The royal commission in 1967 was asked to recommend what steps might be taken by the federal government to ensure for women equal opportunities with men in all aspects of Canadian society. That Commission was instructed by the government of Mr. Pearson. After two and a half years, it has reported in lengthy detail and raises complicated and interlocking questions of policy.

I do not think it is any secret that this government maintains, and constantly updates, a listing of our chief priorities which we try to follow fairly closely. I think it is true that all Canadian governments have felt, rather uneasily, that perhaps they might have provided more leadership and reform in the provision of opportunity to women. We have in this House done much which affects women, not the least of which has been in respect of divorce and abortion laws. So, we may have been better than most. I must say, however, that while I shall not state precisely where women were on our priority list before, they have recently ascended it as fast and as far as any ski tow goes up Whistler Mountain.

There are many specific things this government has done and will do. They are important and will have a far-reaching effect not only for women but for the improvement of Canadian life in general. I wonder, though, if they provide all or even very much of the answer to the question of the inclusion of women as full and equal partners in Canadian society. That is the real issue, even more than the specifics of pension provisions, minimum wages or special hiring practices.

A prime issue for society in the contemporary world is the inclusion of women in the society of modern Canada, or the inclusion of the young, or the poor, or the old, in fact the inclusion of all those who have not been quite brought in, all those who do suffer discrimination. Our own Parliament, in terms of social background, is not fully representative of the people of Canada. Certainly by denying women, and all the other groups, we deny our society. The Public Service, the public bureaucracy at all levels of government, does not represent well the Canadian mosaic—nor do trade unions, major private enterprises and other institutions. So, I guess no one group in society can point a finger at the other. Certainly, we, as governments, must remove the legal and employment barriers to those who are excluded as the first step.

There is also the question of how a society looks at itself, and how that can be altered. What about the attitudes of all the institutions of our society such as the family, the neighbourhood, the trade union, the firm and public enterprise? How do they mould and motivate individuals? How and why do they exclude large segments of our population from their activities? More importantly, how and when will they take positive steps for inclusion, not exclusion? I think it is certain, as the Prime Minister said last week, that we do know that immense numbers of talented persons have not had a chance to compete and contribute in the fields of their choice, whatever bent their talents might have disclosed. But why are they not in the mainstream? In my opinion, the answer rests in the degree of commitment by which a society and its individual members and groups pursue objectives of equity and social justice. In other words, the buck quite properly passes back to Canadians individually, singly and in groups.

I am increasingly aware of the truth that national objectives of equity and social justice remain words until people support policies and measures that are designed to increase equity. As an example, I cite measures such as tax reform where a little generosity of spirit would be welcome. In my own field of responsibility, housing, we have sought, to the best of our ability, to shift our

objectives to the provision of housing for low-income people. Is that popular? One would like to think so, but I continually have to resist pressures across the country to shift our direct emphasis back to providing housing for the middle-class or to place low-income housing projects somewhere else, in some other neighbourhood.

• (4:20 p.m.)

So, what I am saying is that governments can lead, and this government has done so, but until we Canadians stop our rhetoric and participate through our own pocketbooks and through changing our own built in attitudes, progress will be slow. Until we do that, the exclusion of and discrimination against many groups from participating in our society will continue. But I believe that a climate for such change is developing in Canada. However, this process is slow and painful. The government will help the process along with regard to women. I would say in passing that all members will appreciate the fact that when you are in the business of encouraging a major social upheaval—and that is what any real inclusion of women will be, an upheaval that will change institutions from the family through to the Public Service Commission—life can, and probably will, get quite complicated.

Policy solutions are not as immediately obvious as one might think. Take for instance the subject given considerable and justified attention in the debate so far, the question of day care centres. It is increasingly obvious to most of us I think that day care centres add immensely to the quality of life, both for children and for parents. They are more than parking places for kids, or certainly should be more than that. The best means of providing children with superior care must be found, ways that involve parents in the operations of the centres. Right now, through the Canada Assistance Plan, this government shares the operating costs of day care centres with provinces which regulate and administer the centres. But we recognize that some drawbacks in the legislation and the programs are becoming evident. For instance, the initial capital required is difficult for many groups to raise. The wellbeing of Canadian children is certainly a national responsibility, and we are exploring ways to improve the legislation.

The recommendations of this royal commission directly affect the programs of 25 federal departments. Actions on the recommendations can easily be counter-productive, tending perhaps to cancel each other out if they are not very carefully co-ordinated. This government wants action, as the priority pledge of the Prime Minister indicates, but it does not want a mish-mash. So, there has been established a central co-ordinating function within the Privy Council office. I might go so far as to say that if our friends in the opposition will help us get through the government reorganization bill, it might even happen that the minister chosen to handle this subject will be appointed. In the meantime, an interdepartmental committee is being established to examine all the recommendations and to draft policy suggestions for the cabinet.

Status of Women Study

I might add here that in seeking the best brains available for the committee and its working parties, the chief co-ordinator herself is seeking, wherever possible, women of competence who may not, as yet, have quite pushed to the front of the public service. This is part of an emphasis directed toward women that this government will continue. A decision to seek out wherever possible women for Order in Council appointment is another instance of this emphasis.

The interdepartmental committee to which I referred will submit to cabinet immediately, as they become available, the policy alternatives that it supports from five working parties. The working parties cover the following areas: First, the economic participation of women, what the federal government can do regarding women as investors, homeowners, producers of goods and services as well as employees. The second area covers women in political and judicial life. I might say here that the government is already planning to attract more women into citizenship programs, into the administration of corrective institutions and other areas recommended in the report we are discussing. The third area is a workshop dealing with education and training of women. This will include such issues as formal professional education for women, occupational education, and continuing education.

The fourth area is family and community services. Here, policy recommendations and guidelines will be in the areas of abortion, family planning, day care centres and other matters. The fifth working party will be particularly attending to the problems of disadvantaged women, in which we include the aged, the disabled, the poor, women who are the sole support of their family, women of minority groups, immigrants and geographically isolated people.

The cabinet expects to have policy recommendations before it well within this year. We have already seen considerable progress. The Canada Labour (Standards) Code, to which amendments were presented to Parliament today, will be of special interest to women. Amendments to the Fair Employment Practices Act are under consideration. The white paper on unemployment insurance proposes broadened coverage and the provision of benefits for interruption in employment owing to sickness and maternity. We plan legislation removing discrimination against women with regard to citizenship.

The report recommends the establishment of information and referral services at the local level, which is certainly in harmony with some of the aims of Information Canada; in fact, some pilot projects are under way now.

In my own area of housing, there will be a change made in the national housing loan regulations in line with the first recommendation of the report. It will remove the discrimination inherent in any federal regulations against women as creditworthy mortgage borrowers. Last spring we made provision for an allowance for one parent families in the calculation of income to which

the rent scale for public housing is applied. Similarly, the previous allowance for working spouses was increased substantially.

I also announced that space for social and recreational facilities, which can and I hope will continue to include day care centres, will be eligible for federal assistance when provided in housing for low income people. Furthermore, I have asked the Central Mortgage and Housing Corporation to look into the report's further proposal that CMHC make loans for the construction, purchase and renovation of buildings for day care centres. This, I might say, is not an issue for CMHC or myself alone to decide, but would have to be one possible aspect of a wider federal policy for which I must admit having a bias.

At various levels of government, not only federal, we can and should remove discrimination and constraints. I suppose that many will argue that we should stop there and thereafter let women as well as men make their own way. But this government has a feeling there is some catching up to do. There may be a need for some special incentives.

To address myself specifically to one other recommendation here may I say that we are not biased against the idea of a federal-provincial conference. If our informal discussions which will be taking place support this idea, it is very likely that we will proceed.

The debate is useful, and I will summarize by saying that our bent as a government is, in areas open to us, to encourage and to seek out women of competence, to provide special support where that is feasible and practicable, and to encourage other levels of our society to do the same. I hope and expect we will give leadership. More important, I think that as individuals and as groups Canadians have to address themselves to this question of the elimination of discrimination wherever it appears.

• (4:30 p.m.)

Mr. David MacDonald (Egmont): Mr. Speaker, on rising to take part in this important debate I must first congratulate the hon. member for Greenwood (Mr. Brewin) for bringing this matter before the House this afternoon, and on doing it in such a substantial way by the motion he has presented to the House. It is quite likely true in this discussion, as in many others, that the events and realities of the situation may greatly outdistance both the type of discussion we have here and the issues which are of principal concern. However, even if we are dealing with this subject somewhat late in the day, in comparison with the concerns and interest expressed in this far-reaching question of the status of women, better late than never must surely be the axiom and this must justify the argument that we should be spending the time of the House on this particular issue.

In fact I feel that, in dealing with it in the context of a one day debate, we do nothing more than open a host of questions that need to be raised and looked at very carefully in the hope that we may first discover the exact nature of the problem and, secondly, determine whether there are certain steps that can be taken by Parliament to alleviate the most serious aspects of the problem. The question that confronts us in this debate is a basic one. Are half the members or our society living in an inferior or discriminated position with respect to the other half? Is there in fact a basic question of inequality for women in this country today, or has this whole concern for women's rights and women's liberations simply been generated as another in the endless series of fads that seem to be the product of our culture, and are perhaps the result of the tremendous flowering of the devices of mass communication in our time?

Is it not true, as an earlier poet was moved to comment, that "the hand that rocks the cradle is the hand that rules the world"? It is a pleasant phrase, a phrase that I am sure all hon. members have heard. I would assume that in an earlier day it was a convincing one. In spite of the fact that men occupied the prominent positions in society, became heads of state and for the most part, produced works of art, the person who stayed by the hearth, who cared for the young, who provided a home for her happy warrior when he returned from another victory, provided evidence of the essential truth in this statement that the hand that rocks the cradle rules the world.

Well, of course in this age of enlightenment we are finding that that was one of the clever put-downs of an earlier time, one that may still be used by some people who would like to believe that in our modern society women enjoy all the opportunities, all the access and status that seem inherently the right of their fellow citizens of the world, men. But of course we know it is not true. We know it is nonsense. In fact, we are not so many years removed from a time in which some of the discrimination was so obvious and blatant as to be impossible to believe. Here, I refer to the time of good Queen Victoria when the ladies were concerned about such basic things as having the right to vote and about being recognized as human beings. It was a time when Queen Victoria was moved to comment:

> The Queen is most anxious to enlist everyone who can speak or write to join in checking this mad, wicked folly of "Woman's Rights" with all its attendant horrors... It is a subject which makes the Queen so furious that she cannot contain herself. God created men and women different—then let them remain each in their own position.

One would have liked the opportunity, having heard the Queen declare herself in that fashion, to ask her whether or not there should be a limit put on such things as the right of succession. However, I gather one did not ask those kinds of questions of Queen Victoria. We know, however, there were those who tried to respond to the problems of women's inequalities in the early part of this century, such as the well known Mrs. Pankhurst who, trying to make her point crystal clear, at one stage said:

> Trust in God: She will provide.

Mr. Anderson: May I ask the hon. member a question?

Mr. MacDonald (Egmont): Yes.

Mr. Anderson: I am just wondering whether the hon. member is implying that Queen Victoria did not have

enough power and should have had more. I thought Queen Victoria was a lady of considerable ability, and if anyone would have made it perfectly obvious that women should be treated equally it would be her. I hope the hon. member's suggestion is not that the most powerful woman in history should have been given more power, remembering that her husband played a very subservient role in comparison with her status.

Mr. MacDonald (Egmont): Mr. Speaker, I do not know when the hon. member tuned into my speech, but the point I was trying to make was that Queen Victoria was a person who obviously was a prisoner of her own time. reflecting a view commonly held by a great number of women at that time concerning the woman's role in society. At the same time, however, she supported a double standard because she was willing to acknowledge for herself a great number of powers but was in no way willing to see such powers exercised by her colleagues in her day and age. I cited this as an illustration of the fact that while it may seem a long time since the reign of Queen Victoria, in the history of the world it is but a short time. When we hear a statement like that now we think we are living in a completely different age, and that there is absolute equality and acceptance for women. We could well ask the question, as I ask it rhetorically this afternoon, are women accepted as equals in our society, or should we be concerned about the increasing number of demonstrations and discussions centring on the role and status of women in society? I answer that we must be concerned, and concerned for a number of reasons.

Time will not permit me to deal with all of the reasons this afternoon, but we should recognize the fact that in our civilization today we have a most unique situation in which we have in our midst an oppressed not minority but majority. Unlike many minorities who suffer because of racial, religious or ethnic considerations, women in our society, who are not even a minority but perhaps a majority, are oppressed. Women in our day are oppressed in a new and much more sophisticated fashion and that is why I find the speeches made this afternoon, and the motion proposed by the hon. member, unsatisfactory to a degree. Essentially, I am not criticizing the motion for going too far, but rather I feel the motion does not go far enough. I must immediately hasten to add that I would have great difficulty in drafting an effective motion to try and deal with what is a very pervasive and thorough going form of discrimination towards women which exists in our society.

• (4:40 p.m.)

It is all too easy to recall times when, because of technology and the nature of society, a woman was very obviously in a discriminated position. She was treated almost as a beast of burden; she stayed at the hearth and carried out all of the chores. As one person has said before, and as has been repeated many times since, a woman's work is from sun to sun. She did all the manual tasks necessary to maintain that family unit. She suffered drudgery to such an extent that today, when you walk through an old cemetery, you can see recorded on the tombstones the premature deaths of a host of the women of this country.

An hon. Member: Men, too.

Mr. MacDonald (Egmont): We know as well that there was a particular horror associated with giving birth. In a sense, a life of desperation was lived by the women in earlier times in relationship to their fellows in society. We rejoice in the fact that women have been released from the drudgery of the kitchen and the home, that they have been spared much of the horrible pain and possible death by childbirth. We rejoice that it is now possible to think of the woman's role in the home as one that at least does not involve being treated as some kind of willing slave.

In moving from that difficult time into an era of great technology, I suggest that we are now permitting, and indeed encouraging, a new kind of exploitation of woman. I think it has been referred to as "sexploitation", in which woman herself is being treated in many cases as a consumer product, as an item to be selected from the shelf, to be packaged, labelled and presented for easy consumption. We have been treated to a host of beauty contests and activities which primarily promote the biological aspects of woman. In its most extreme form, we have been treated to the concept of woman as a plaything, as a bunny for the playboys of the world.

The tragedy of this new form of discrimination is that in establishing standards for women in our society, the standards are such that they are measured not in terms of individual integrity or identity but in terms of proportions, measurements, bustlines, what have you. The tragedy is that while men to some slight degree might be forgiven for making these measurements and standards, certain women all too readily acquiesce and give credence to the thought that everything depends on how a woman can present herself. It is too bad that some women are willing to measure themselves by these standards of sexploitation.

It seems to me, Mr. Speaker, that by allowing this to happen in society we have indeed subverted and destroyed not only the possible role and fulfilment of woman in society, but we have downgraded to an effective degree the possible relationship that might exist between man and woman. The perfect female citizen of this country, if we are to listen to the commercials, spends the morning at the mirror, the afternoon in a bubble bath, and the evening discussing breath mints or candy mints at some amusement park. The parallel to this is that, of course, man is always at the job or driving or flying to it. It is small wonder that the more extreme women's liberation groups seethe with a pathological hatred aimed at the various males who have concocted these two public images of male and female.

In discussing what I think is a basic problem in our society today, obviously I am dealing with a problem that cannot easily be changed through legislation. I think it would be a challenge far surpassing the abilities of the

Minister of Consumer and Corporate Affairs (Mr. Basford) or perhaps the Secretary of State (Mr. Pelletier) who has responsibility for culture, to prescribe new kinds of regulations by which we could move away from the kind of willy-nilly consumer approach that has been adopted toward women in our society. How one changes basic attitudes is certainly a question that cannot easily be answered in the course of this debate or by the legislative response in this chamber. There are situations that have been referred to today which indicate there is discrimination which could be resolved by law.

I was extremely disappointed to note that, according to the report on the status of women, my native province of Prince Edward Island was still making a real difference between men and women in the minimum wage laws. We know that in government service and private employment there is far too much sex typing, which in many cases prevents capable women from seeking positions. The situation pertaining to manpower retraining in Prince Edward Island causes me some concern. I think we must be more aware of the difficulties faced by women if these retraining schemes are to be of use to them.

In concluding these brief remarks, in what I hope is the opening debate in an ongoing series of considerations to be given to this question, I should like to come back to what I think is essential to our concern and that is, the role to be played by woman in our society. The problems in this area, while they may be met to a degree by legislative or bureaucratic decisions, are basic problems. I think they can only be dealt with in terms of the essence of the main problem. A moment ago I mentioned the basic problem of attitude, but I think that in terms of the status of woman there is the basic problem of identity. I was struck by a quotation from "The Feminine Mystique" by Betty Friedan, which reads:

> The core of the problem for women today is not sexual but a problem of identity—a stunting or evasion of growth that is perpetuated by the feminine mystique. As the Victorian culture did not permit women to accept or gratify their basic sexual needs, our culture does not permit women to accept or gratify their basic needs to grow and fulfil their potentialities as human beings.

I think that is the problem, Mr. Speaker. Even if we were to implement at once all the recommendations contained in this report, I would be willing to argue that a large proportion of the women in our society would still be imprisoned within their own attitudes in so far as development of their potential was concerned. We would still be faced with the problem of finding the answer to a more effective and realistic family unit in modern day society. As the member for Fundy-Royal (Mr. Fairweather) said, we still would not have dealt with the question of finding a more productive and positive outline for a relationship between man and woman in our society. I believe that the new-found freedom and potential for woman in our time is not only important for woman herself but for the man she will marry and with whom society will be shared.

[Mr. MacDonald (Egmont).]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am honoured to have been named as the seconder of the motion presented this afternoon by the hon. member for Greenwood (Mr. Brewin), and I am happy to take part in what I am sure those of us who are here will agree is a very important debate. One could wish that such importance were recognized by more of our colleagues in all parts of the House. But all good causes have to be pushed.

• (4:50 p.m.)

May I say respectfully to the Minister without Portfolio (Mr. Andras) responsible for housing, who spoke awhile ago, that despite the short reference of a partisan nature in which he indulged, we appreciate his acceptance of this motion and of this debate as an attempt on the part of the New Democratic Party to get the discussion rolling on this important subject. We welcome his being able to stand in his place and announce a number of things that the government is doing. I do not think they all began with the Prime Minister's (Mr. Trudeau) speech of last Wednesday night. However, it has been our experience in this place that even though the government announces good intentions, it takes an awful lot of prodding to get action on those intentions. I think it is fair to say that hon. members on both sides of the House this afternoon and this evening will be doing that, prodding the government into acting on the proposals contained in the report of the Royal Commission on the Status of Women and into acting on the suggestions being made by members on the floor of the House.

Sir, as the hon. member for Greenwood (Mr. Brewin), my colleague, has already said, it is our desire, in this part of the House, to concentrate in each of our speeches on certain specific aspects of the over-all problem. Hon. members will not be surprised if I say that the areas I shall talk about will relate to such things as pensions and insurance programs and employment in the public service. I should like to indicate some of the things that we think ought to be dealt with in these two main areas.

The more I study the report of the royal commission, and the more I think about the problem, the more I am impressed with the magnanimity of the task. You can hardly turn a page of most of our statutes without finding some differentiation between men and women. This is particularly true of the areas about which I am especially concerned, pensions and insurance, employment and so on.

Mr. Alkenbrack: On a point of order, Mr. Speaker, did the hon. member not mean to say "magnitude" instead of "magnanimity" when he referred to the task?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I said that, I welcome the correction. I suppose my hon. friend feels that we are now even, since the other day I pointed out that although he meant George III, he said George IV.

Mr. Fairweather: The kings and queens of England are being shuffled around this afternoon.

Mr. Knowles (Winnipeg North Centre): I accept the correction, and thank my hon. friend for it.

I have said that I am impressed by the tremendous number of changes that we shall have to make; but that, I submit, is no reason for our not getting on with the job. Let me name some of the pieces of federal legislation, and allude to some provincial laws as well, which I think we shall have to act on soon. In the first place, I want to speak about a few federal statutes that have general application, in the sense that they apply to the entire population. The second group I shall speak about will be statutes that refer to employment in the public service.

It really is amazing that in statutes like the Canada Pension Plan and its partner in Quebec, the Quebec Pension Plan, the Unemployment Insurance Act, the Fair Employment Practices Act, the Fair Wages and Hours of Labour Act and in the workmen's compensation legislation in the provinces and in similar, federal legislation covering the Northwest Territories, and so on, there runs this thread of differentiation between men and women. It turns up in two ways. On the one hand, there are frequent occasions where a benefit is provided to a widow, or the wife, or the survivor of a male, but the corresponding benefit is not provided to the widower, or the husband, or the survivor of a female. You know, we cannot go on talking about equal rights if we keep things that way. In the Canada Pension Plan, for example, I think it should be provided that the survivors of a female contributor are to be treated the same as the survivors of a male contributor.

In addition to those kinds of changes that ought to be made, we should consider this: the more one looks at these various pension and insurance programs, the more it becomes evident that, in the main, a woman's right to security in time of illness, or disability, or unemployment or old age comes to her because she is the wife of a husband or the survivor of a male. In the main, these rights do not come to her because she is a person, in the sense that a man is a person. I think that we must get down to brass tacks and correct this situation. Maybe it was nice in the time of Queen Victoria to keep women in what she thought was their place. Actually, the changes that have taken place in society that have been dealt with in the philosophical portions of speeches made thus far have changed the picture. I do not think that relations between men and women can continue to be satisfactory if this situation continues as it is, namely, that a woman will get pension or insurance benefits only because she has been married to a certain person, or because her husband had a certain number of years of employment or because that husband was hurt or took ill or died. To my way of thinking, that is now wrong. Perhaps it was always wrong; but it certainly is wrong today.

I think that we must begin building into these various pension and insurance programs the kinds of provisions that will treat both sexes exactly the same way. Where this may become particularly difficult is in legislation like the Canada Pension Plan. That legislation, as we know, is a wage related plan. It is part of a two deck scheme, under which people can have their basic old age security pension and another pension on top of that which is related to the income they have earned while working. When it is suggested that a married woman who stays at home and raises the family ought to be able to contribute to the Canada Pension Plan, those who understand the workings of that plan say that that will upset its rationale, its philosophy and its whole basis as a wage related operation. I recognize that and I am inclined to agree. It may be that something other than just the right of women to contribute to the Canada Pension Plan, although they are staying at home and raising the family, must be found. I believe, when a woman has spent 20 or 30 years or more in the home and contributed in that way to the raising of the family, to family life and to the part that the family plays in society, that when it is time for her to get a pension, it should come to her as of right, on the basis of the contribution that she has made, not just through her attachment to a husband.

• (5:00 p.m.)

Perhaps the answer to this is a guaranteed annual income. Maybe the answer, as some people suggest, is wages for homemaking so that there will be something to relate to the Canada Pension Plan. Whatever the method or device that is found, I strongly submit that we have to revise our thinking about the Canada Pension Plan so that when a woman is of pensionable age, she not only receives the old age security pension at age 65—indeed that age should be a lot lower—but she receives a pension because she is a person who has contributed to society. The pension should not just be based on the fact that she was the wife of Mr. "X". I could go on with these various facts of general application such as unemployment insurance and workmen's compensation. These various acts have different kinds of provisions for men as compared with women. There is no doubt about the magnitude of the task, if I may use the word I wanted to use the first time, but failure to grapple with it just because it is too large a task is not good enough for Parliament or for the government of Canada.

Legislation was introduced today by the Minister of Labour (Mr. Mackasey) to improve the Canada Labour (Standards) Code. This raises the question of matters such as minimum wages and hours of working. Reference has already been made to the fact that at least three provinces in this country provide for lower minimum wages for women than for men.

In the Fair Wages and Hours of Labour Act and in the Fair Employment Practices Act there are differences between men and women. These pieces of legislation I have been talking about, most of them federal, but one or two provincial, have general application, but shot through and through them is the notion that there is a difference. It is a man's world. Women get into it if they can, but in the main a woman gets what is coming to her because she is related to a man. It is not good enough in a society that says we are all equal as people and entitled to our rights. It is not good enough just to indulge in these philosophical niceties about this whole problem.

Nor is it good enough just to boast, as the minister did earlier, that the government has already started to correct the situation. There are a tremendous number of pieces of legislation that must be overhauled if we are going to implement the idea that women are people and entitled in their own right to protections that we are able to provide under the heading of insurance, pensions and so on.

Having talked about acts of general application, I now wish to say a few words about employment in the public service. I think it is a truism that how the federal government treats its employees sets the pattern for Canada as a whole. The recent report on Sex and the Public Service and the report of the Royal Commission on the Status of Women have brought out a number of strange situations that apply in the federal public service. One of the most ridiculous is the fact that there is paternity leave, but not maternity leave in the public service. The father can get a day off because his wife is having a child, but there is no leave, certainly no leave with pay, for the mother because she is having one. There are a lot of little odds and ends. If a husband is moved by the federal government, there are moving expenses for the wife and family. The same does not apply in the case of the wife. This does not only apply to the public service, but it applies in general. The motion is that it is the man who is boss and whatever has to be done to suit his convenience or working arrangements, the necessary cost must be met. However, if the woman is moved or if her position is changed, that is different.

A good deal has been said about the level of employment of women in the public service. For the most part it is sex-typed. They occupy certain jobs and we accept this. As pointed out in the report of the commission, surely the time has come for this situation to be improved. No time should be lost in establishing the women's program secretariat recommended by the commission so that active attention can be paid to increasing employment opportunities for women in the public service, not just at levels typed for them, but at types and levels which they are just as capable of fulfilling as men.

Then, there is the question of the federal government pension programs such as the Public Service Superannuation Act, the armed forces superannuation act, the Royal Canadian Mounted Police Superannuation Act and others. The main difference there is that the rate of contribution varies. The rate of contribution is 6.5 per cent for a male and 5 per cent for a female. Some of the women who want us to proclaim equal rights might not be overly excited if we say that their rate should be increased to 6.5 per cent. However, I think something can be done. Perhaps a rate in between those two would fill the bill if we could change a certain premise. The reason for the difference of 5 per cent for females and 6.5 per cent for males is the assumption that most females in the public service are not married. That, of course, is changing. The other assumption is that most of the males in the public service are married, although many of them are not.

If a male public servant leaves a widow when he dies, she receives a pension. When a female public servant dies, even if she is a married woman and leaves a widower, there is no pension for him. This does not jibe with our concepts of equality at the present time. If there is to be a distinction in rates of contribution to the federal government's pension plans, it should not be on the basis of whether a person is a man or a woman. It should be on some other basis. I would not mind it being on the basis of whether there are dependents; wife, husband or other relatives.

I am deliberately not trying to give the final answer or say what the actual terms of a revised plan should be. However, a plan that makes a distinction between people simply because they are men or women is not fair. If there is going to be a distinction, it should be on the basis of something far more significant than that, and I urge that something be done about our various pension plans.

• (5:10 p.m.)

I said my two main areas were the general legislation which applied to everyone and then the legislation and practices affecting the public service. By the way, I did want to mention the public service terms and conditions of employment regulations; there is a tremendous area here for doing away with discrimination. But I want to go on and say a few words about one particular area of the public service, if we may call it that, namely the area of employment on this Hill, in the Senate and in the House of Commons, in the Library of Parliament, and so on. I think the report does well to point out that there is far too much typing of people in jobs on this Hill. One of the interesting things set out in the report is that men cleaners who work for us in this building are employed full-time but women cleaners are employed part-time. The distinction is as simple as that. If you are a man and you get a job as a cleaner in this building, you get it on a full-time year round basis, but not so if you are a woman. I hope that after another election we shall end another unfairness around this place, namely the fact that our 264 seats are held by 263 men and only one woman. This, of course, is not something we can do by legislation. But let us not make fine speeches about it being a good idea to have more women in Parliament when we continue to maintain a fair amount of sex typing among the employees of this institution on Parliament Hill.

I hope I have at least made the point which had impressed me in my study of this matter, namely that the problem is a tremendous one. Two or three amendments here and there will not do the job; amendments will have to be carried out all over the place to establish greater equality between men and women in the areas I have been talking about, pensions and social insurance on the one hand, and employment in the public service on the other, including work here on Parliament Hill.

I have heard others in this debate today say this subject brings up the whole question of social attitudes. Sometimes this is used as an excuse; it is suggested we cannot get these legislative changes until society changes

its attitude toward women, until it recognizes they have equal status with men. It is the old story of which comes first, the chicken or the egg, or, to put it in other terms, a new attitude on the part of society toward women or leadership in changing our laws and regulations. I think there is a very real possibility that social attitudes are ahead of us now, and that our job is not to sit back and wait until those attitudes are so far ahead of us that we are forced into action. Instead, we should be providing real leadership. I say again in the spirit of most of the speech made by the minister that we welcome his statement about the things the government is doing. We welcome the acceptance throughout the House of our having brought this subject forward today but I earnestly plead that it be not just one days' debate, which goes on the record and that is that, but that it be the beginning of serious consideration of specific changes which we can and must make without delay.

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

Mr. Deputy Speaker: The hon. member's time has expired, but if there is unanimous consent he could reply to a question. Is there such consent?

Some hon. Members: Agreed.

Mr. Cullen: I should like to ask the hon. member for Winnipeg North Centre (Mr. Knowles) whether, in all the years he has been in the House, he has ever known students other than male students to be hired as guides in Parliament during the summer recess?

Mr. Knowles (Winnipeg North Centre): The hon. member talks about all the years I have been here, but it is only in recent years that students have been hired as guides. I believe all of them have been male students but I do know that in recent years there have been two or three occasions when students were hired for various other purposes, and that women were included among them. I am happy to say that even though this has been done by the Canadian Political Science Association, which is outside our immediate jurisdiction, there are women among the student interns who are with us during this present session. But the point the hon. member made is well taken. This, too, is an area in which we must improve our own record.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before I recognize the hon. member for Don Valley, may I deal with the proceedings on the adjournment motion? It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—Trade—Development of U.S. markets for Atlantic Provinces products—transportation facilities; the hon. member for Brandon-Souris (Mr. Dinsdale)—Radio Canada—Action respecting alleged separatists and terrorists on staff; the hon. member for Comox-Alberni (Mr. Barnett)—Pollution—Contamination of west coast of Vancouver Island by oil—responsibility for cleaning up beaches.

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—STATUS OF WOMEN IMPLEMENTATION OF RECOMMENDATIONS OF COMMISSION

The House resumed consideration of the motion (Mr. Brewin):

That in the opinion of this House, the government should immediately designate a minister of the Crown to co-ordinate the implementation of the proposals contained in the report of the Royal Commission on the Status of Women which come under federal jurisdiction, and that it should give special and urgent consideration to the implementation of those recommendations designed to establish a basic equality of rights between men and women, including the recommendation for the inclusion of housewives in the Canada and Quebec Pension Plans, the provision of maternity benefits under the Unemployment Insurance Act, the adoption of a National Day Care Act, the initiation of a family planning program and certain amendments to the Criminal Code, and equal treatment in the federal public service; moreover that the government should convene a federal-provincial conference to consider the implementation of the recommendations of the commission which fall within provincial jurisdiction or which are the joint responsibility of the parliament of Canada and the legislatures of the provinces.

Mr. Robert Kaplan (Don Valley): Like other speakers, I welcome this opportunity to discuss a subject which was, I suppose, most recently brought to public attention by the speech of the Prime Minister (Mr. Trudeau) in Toronto last week. I wonder why the opposition has failed to attach a vote to this particular resolution, because they could have counted on the support of many members on this side of the House for the motion which has been put forward. They would have obtained my support for almost everything that has been proposed.

I am afraid, though, I cannot agree with the proposition put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) that the Canada Pension Plan should cover women in respect of their role as mothers and housewives. The Plan is one which, as he knows, has an actuarial basis, and his proposal would result in the inclusion of, I suppose, double the number of people presently covered without the housewives and others having any responsibility to make contributions. This would greatly change the nature of the scheme. The hon. member seemed himself to recognize the weakness of his argument when he suggested that sooner or later a guaranteed annual income program might take care of the situation.

Mention has been made of the recommendation that a minister of the Crown should be designated to take particular responsibility for this subject. The Prime Minister

referred at Toronto to some of the steps which have already been taken. He said:

> In the short interval since the report was tabled, a number of steps have been taken to ensure informed and co-ordinated federal government action in response to it. Most important of those steps is the government's announced decision to give priority consideration to the recommendations.
>
> We have already appointed within the Privy Council Office a highly qualified person whose responsibility it is to ensure informed and co-ordinated government action with respect to the report. An interdepartmental committee will examine those recommendations directed to the federal government. It is under instructions to complete its work as quickly as possible and to submit reports periodically to Cabinet.

The report calls for the appointment of a minister to deal with this issue. The Prime Minister, in his speech, said that a bureaucrat from the Privy Council Office had already been appointed to co-ordinate the program. Frankly, I prefer the approach suggested in the motion. I think that if we are going to focus attention on this priority and give it the kind of urgent action that is required, it is well for the public to have a minister looking after the matter rather than, as I say, some bureaucrat sitting in an office in Ottawa who is responsible for co-ordination. If we believe that politicians should assume the responsibility for policy decisions and policy implementation, it follows that there should be a minister at whom we can take shots if necessary when action is taken not in the way we think it should.

• (5:20 p.m.)

In this connection, the minister who spoke this afternoon hinted, in what perhaps was the major achievement of the debate, that there may well be a minister appointed one day soon to deal with this area of responsibility. I would very much welcome that development because it is one of the most worth-while features of the motion we are debating today.

I should like also to deal with the question of attitude. There has been a lot of discussion today about attitude toward equal rights for women as contrasted with the law and legal changes. We have been talking about changing attitudes and changing the law, and perhaps I could introduce this subject by taking a quotation from Doris Lessing, who said:

> We have been given ample warning that the next ten or fifteen years will decide whether the human race can survive. Our survival is threatened by almost certain war, by famine, by contamination, by climatic change due to pollution. Perhaps the sex war could be postponed until more urgent issues are settled?

That kind of statement leads me to respond that I think there is a relationship between the priority we give to recognizing the contribution that women can make and the speed with which fundamental problems of our society will be solved. Discrimination of any kind is a luxury, a waste, something that Canadian society in particular cannot afford at this time. It is true that there are tremendous problems facing us. It is true that the world faces tremendous problems. But to relegate the problem of dealing with the inequality of women below other priorities denies to us the very important contribution that women can make to solving such problems. Attitude is a very important part of this question.

[Mr. Kaplan.]

The hon. member for Fundy-Royal (Mr. Fairweather) was able to put before us a proud record of contributions made by his female ancestors to the establishment of women's rights in Canada, and I only wish I could respond with a list of contributions made by my own ancestors. However, I cannot do so. Perhaps they are more anonymous than his. But I can put forward in a personal vein, as he did, a story concerning one of my descendants which might make the point. I think that when you are a father and have, as I have, both a son and daughters, you can see in a very real way the way that social attitudes affect your own children.

Occasionally at weekends I work and do my reading and so on, in a very large office building in downtown Toronto. One day I took my daughter with me to help get her out of the house, and so I could spend some time with her. While I was on the telephone, and after I had been working for about two hours, she asked me whether there was a ladies washroom in the building. This is one of the largest office buildings in Toronto and I said: "Of course there is; there are many women working in this building". She replied: "Oh yes, the secretaries". She is a seven year old child who is just reaching the point where she is beginning to think about what kind of future there is for her. This is in marked contrast to my six year old son who sees the world opening up for him and offering opportunities that are virtually limitless. This story illustrates the tremendous disparity between aspirations and expectations which practically cripple many children from childhood.

The report of the Royal Commission on the Status of Women deals with this point, and I should like to read this paragraph which indicates the price that we pay for the attitude of discrimination that we have. Paragraph 73 of the report on page 180 reads as follows:

> While they are still in school, girls tend to have low occupational expectations, even when they express interest in more challenging fields. Responses to a recent survey based on a national sample showed, for example, that although only 18 per cent of fourth-year high school girls preferred sales and clerical careers, 32 per cent seemed to assume that they would eventually work in these fields.

In other words, given the attitudes of our society they would not achieve their aspirations.

> According to the results of the survey, the careers boys want are closer to those they expect to have.

I do not think we can afford to perpetuate such a system, and for that reason if for no other, I think Canada has to change. We have to try to find ways of utilizing the goodwill, talent and enthusiasm that is just as much available from our girls and women as it is from our men.

A number of hon. members who have spoken today have contrasted changing the law with changing attitudes. The Prime Minister spoke about this and tended to regard the two as separate problems. The Prime Minister said:

> Attitude has been the contributor of most of the obstacles which now confront women in Canada. But more than a change of attitude is required in order to overcome discrimination and

to provide opportunity. Some laws have to be changed to eliminate the anomalies—

Other members have spoken in similar vein. For example, the hon. member for Fundy-Royal said there is a difference between equality in the law—equality of rights, as he put it—and equality of opportunity. He talked about the extent to which we should deal with equality in the law, but he also indicated that dealing with equality of opportunity was an attitudinal problem, one which was much harder to reach. The hon. member for Egmont (Mr. MacDonald) went so far as to say that we cannot change attitudes in this House but that at least we can change the law, and he urged that we do. The hon. member for Winnipeg North Centre (Mr. Knowles) made his plea in terms of the chicken and egg situation—which comes first, the law or the attitudes? He indicated that we ought to deal with the law because the law was amenable to this Parliament.

On this particular point I should like to observe that the two are not separate problems as might appear. Law and attitudes are closely related. I can testify to that since I am a member of a group which traditionally has been the victim of discrimination and of oppression for one reason or another. I could refer as well to the experience of the blacks in the United States. I think that the experience of my own group and the experience of the blacks in the United States is that if you can and do change the law, change of attitude will follow; that there is a close relationship between the two. We should not sit back waiting for attitudes to change to accommodate changes in law; we should take the initiative. At least we should catch up with prevailing attitudes, and then even move ahead to use the law to change attitudes.

Finally, I should like to deal with one other subject, the question of abortion law reform. This subject is touched on in the motion moved by the opposition and a number of hon. members have spoken about it. With considerable difficulty, I have come to the view that we should permit abortion on request. In coming to that view I must say that I recognize that there is, at least in my view, a certain immorality in abortion, whatever are our standards.

I believe, as well, there is also a moral aspect on the other side of the question. There is a certain immorality in forcing a mother, who for a number of reasons does not want to have a child, to have that child and in forcing a child to be an unwanted child and raised as such. So there are moral questions on both sides. Through all this I have reached the view that abortion ought to be permitted on request. My other reservation about it is that I do not particularly want to see abortion used as a birth-control device, because there are birth-control methods and devices available which can easily be used and which should be accepted. But, as I say, although I have this reservation about abortion I am in favour of its being permitted on request.

• (5:30 p.m.)

I should like to close my participation in this debate by making a suggestion to the opposition in respect of a way in which this issue could be brought forward. In the Speech from the Throne the government indicated there would be a one-day debate on abortion. That is not wholly satisfactory; I doubt if it would resolved any problems or result in any changes. I think the government indicated that because of the length of time such a debate would take it was unwilling to place this matter on the Order Paper; there are other matters which—I agree—deserve higher priority.

I believe, however, that the opposition could take advantage of Standing Order 75B. That Standing Order provides that if a majority of the representatives of the several parties of the House agree on a time allocation, there can be a time allocation in respect of a bill. I should like to challenge the two opposition parties which are not as encrusted by hidebound ideology and stubbornness as the Social Crediters to get together and challenge the Government House Leader to allocate time to settle this question. I have reviewed the rule, and in my judgment if a weekend should intervene, an abortion reform bill could be finally voted on and disposed of in six days of parliamentary time. That would by no means mean there would be a full debate every day; there could be as little as one hour's debate or less on any one of those six days.

Let the opposition not feel they have no recourse in this matter. I would urge them to make a proposal to the government that the question of abortion be brought forward in the form of a bill, that there be a time allocation for putting the bill through the House and that the matter be dealt with on that basis.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Kaplan: Yes.

Mr. Knowles (Winnipeg North Centre): In view of the fact that Standing Order 75B can operate only if a minister of the Crown makes the appropriate request in the House, is the hon. member undertaking that a minister of the government would agree to such a proposition?

Mr. Kaplan: Mr. Speaker, I am speaking for myself and not for the government. But if such a proposal were made by the opposition parties I would use whatever good offices I have in an effort to persuade the ministers to take the proposal seriously and allocate time for debate. Although I have not canvassed any of my colleagues, I am confident some that would agree to a similar disposition.

Mr. F. J. Bigg (Pembina): Mr. Speaker, I welcome the opportunity to take part in this debate. We are touching on some very fundamental and important questions. I have no intention of being caught in the trap of appearing to be against motherhood. However, there are four subjects rolled into one, any one of which might well set a trap for politicians and for any well-meaning or well-thinking person in this country. Whether or not there should be a minister who would look after the affairs of such a ministry is a question which I will leave to the government.

Women's rights are extremely important, but I take exception to the equivocation of those people who try to make this a political football. Women's rights, among all well-meaning men, have had a very important and enshrined place since the beginning of our Judaeo-Christian history, if not since men came down out of the trees. My grandfather was a gentleman and my grandmother did not in any way feel she was a slave. She was one of the happiest women in the world because she thought that upon her fell the onerous job of keeping the family together, teaching us our basic morals and providing a safe and comfortable home.

Grandfather, like so many other pioneers in this country, was out busily buying furs from the Indians, paddling his canoe and hunting for the buffalo, moose and elk which would provide food for the table. In terms of present-day society it might appear that this was a simplified society—but I believe the basic rules still apply. Someone must bring home the bacon, someone must cook the bacon and raise the babies if the human race is to survive. I do not accept responsibility for some of the onerous tasks which have fallen to women thoughout the centuries because the Almighty ordained that the female of the species should have the babies.

An hon. Member: They are different.

Mr. Bigg: They are different, and they are built for it. We are not.

An hon. Member: Explain.

Mr. Bigg: In the 20 minutes at my disposal I shall not go into biology other than to say that mothers are provided with an extra layer of fat under their epidermis. This kept them warm through the centuries in the caves while pregnant and while waiting for father to come home. They are not equipped with the type of biceps or other muscles men have which enable them to leap over stumps or hurl a spear. I do not think that leaping over stumps and hurling spears should be done in time of war, but it was very essential in primitive society not too many years ago when this ability was of prime importance.

Women have not changed, particularly in one very basic respect. They look for the good hunter, the good man to bring home the bacon. Before we rush into some sort of an omnibus bill which will guarantee women all the money in the world, all the bacon, I think we should see what we are doing in respect of the male who has full responsibility at present under our laws for supporting not only the child of the marriage, be it his or not, but the wife for so long as she is his legal spouse. It may be that in some of the states of the United States the law is different, but so far as I know, unless the spouse is crippled no such responsibility under our law evolves upon women.

I ask the women's liberation leaders: Do you want our laws changed so that from this time onward women will be responsible equally for the upkeep of the unemployed husband, the inadequate husband, the poorly dressed husband, the lazy husband or the sick husband? That is what equality means. I do not believe you can legislate equality. Certainly it cannot be legislated in respect of marriage. There is only one kind of marriage. Perhaps I should pass this information on to the Prime Minister (Mr. Trudeau) whose marriage is only a week old. If he or any other man is looking for a 50-50 marriage, that marriage is doomed to utter failure—because there is only one way a marriage between human beings will work, and that is if it is a 90-10 marriage working both ways. Unless the male spends 90 per cent of his time trying to please the little woman, and unless the woman spends 90 per cent of her time trying to please the ornery male, the marriage will fail.

Some hon. Members: Hear, hear!

Mr. Bigg: We cannot legislate equality. We can only have a series of pious hopes. Now I shall start with mine. I should like to see most of the laws in a democratic legislature such as ours passed equally, but I agree with the last speaker that housewives generally are not classified as labourers. Their rewards are not in the form of money. They do not receive pensions, in a great many cases. They are dedicated women. They are the backbone of the nation. If you look over our history you will find that women, often unpaid and unrewarded, have in fact given us leadership—at least by their influence—in the highest and most important fields of life.

• (5:40 p.m.)

I hope I will not bore hon. members if I remind them of people such as Nelson's mother kissing the young midshipman goodbye, he standing proudly in his uniform. I have no doubt that respect for his mother, honouring his father and mother, led to his victory in the great battle of Trafalgar. The result could have been predicted. With such men and women, the human race has little to fear. It was no statute of Westminster that made Nelson; but I venture to say that it was the statute handed down by Moses to "honour thy father and thy mother" that contributed to his greatness.

It may well be that if we got back to those basic principles, instead of whining about Women's Lib, we would be better off. I would say that if some women from Women's Lib did their duty and honoured their fathers and their mothers they would receive a great deal more respect from their children. You cannot expect children to give up marijuana if the parents will not give up the afternoon cocktail. You cannot expect morality in school and hard work if your only reason for existence is to have bigger and better abortions so you can spend more time in the beauty parlour.

Some hon. Members: Oh, oh!

Mr. Bigg: I told you this is dangerous ground. The Unemployment Insurance Act is a piece of social legislation offering us social justice. Social justice is an attempt to equalize incomes of those who want to work. The Unemployment Insurance Act starts out the right way; it tries to give some security to people who work. What is wrong with the act is that we give insurance to people

who do not want to work. We are trying under this omnibus motion to give a reward for being pregnant. The rewards of being pregnant should be self-explanatory: the reward is children. Anybody who has had them or who has had grandchildren knows that this is a reward in itself and that it requires no federal statute.

Day-care centres are a wonderful idea. I believe it would be workable if we lived in communal dwellings. But I see difficulties connected with setting up day-care centres all over Canada, because I believe only in universal legislation. I do not believe that only the city mother who wants to go to work in Woolworth's as a shop girl should have her babies looked after from cradle to school age. What about the Eskimo woman who helps her husband trap seals? She should have her babies cared for while she is out with her husband on ice-floes. She is a Canadian also, and probably a taxpayer.

I believe, also, that by and large it is our job to enact legislation which assists us all. Goodness knows, there are thousands of things we could do if we had the money. Where will the money come from? Are we going to tax the day-care mother? Certainly not. We are going to tax the rich. But who are the rich today? It is not anyone earning $10,000 a year, because if you earn that amount you will get none of these benefits. Your baby bonus will be cut off and you will get nothing free. If you build a decent home in which to support your children, let alone day-care centres for somebody else's children, you will pay up to $1,500 a year and income tax on top of that.

I think that today, faced as we are with many economic illnesses, we should try to find out how we are going to earn take-home pay for the goose that is supposed to lay the golden egg, for the $10,000 a year man who aspires to that level and to the social benefits which we all know he should have. But we find few people who are willing to pay more than they are paying today. As I travel up and down the country—I hesitate to say how many thousands of miles I travel to try to do my job in this House—on every occasion I hear, "If you cannot beat them, join them". What do they mean? They mean that if you cannot afford taxes which a $7,000 to $10,000 a year man has to pay, you had better be unemployed and get everything for nothing. Nobody within the sound of my voice, or nobody who will take the trouble to read what I am saying this afternoon, would disagree that this is the horrible truth. What the people of Canada are looking for today is for us to come up with sound economic answers to what will happen to the middle-class wage earners' take-home pay.

I have an imagination second to none and I could dream up fancy schemes for spending other people's money equal to anybody's in this chamber. But I have to scratch my head to tell you how we can take one more dollar out of the ordinary taxpayer's pocket in Canada without making him face economic ruin. It is no good boasting about our gross national product. I am shocked when I read about our gross national product being doubled while my take-home pay is being divided in two. It does not add up. There are a great many people in the country who are desperate for answers. I venture to say that if we had a strong man in Canada who had answers to these questions, people would flock to him like the children did to the Pied Piper. But they are not being fooled by the kind of Pied Piper music they are being given today. They are sick with worry and they are tired of talking about sex, abortion, day-care centres and unemployment insurance when what we should be talking about is more jobs, more production, more employment and less taxes.

If I do not agree with abortion, I am left with only two choices at present, either to be called a cold-blooded butcher of women or a cold-blooded butcher of helpless children. Is there truth in both? Are they both wrong? Or is there something about the whole thing wherein a man of common sense can find an answer? I am old-fashioned; I am what the younger generation might call a square. I go back to the standards taught me by the same grandmother who thought it was a good thing to have babies and to have grandchildren. She said that human life was sacred and that we should do all we can to protect it. That is a good starting point. That is where I stand and that is where I intend to remain.

I voted in this House against the death penalty. The Criminal Code is nicely vague. I think they are talking about abortion. I may be wrong. Perhaps they are talking about the death penalty. I voted for a change from capital punishment because although I am a policeman by profession I feel strongly about the sacredness of human life, even the sacredness of a condemned criminal, a cold-blooded killer of a policeman. I voted against the amendment to make a policeman's life more sacred than that of anyone else.

I believe in the universality of democracy. I believe that human life is sacred, that it is not expendable. There is only one excuse for taking a human life, and that is if it is for the greater good. That is why I was a soldier; that is why I was a policeman—to try and uphold the right, which is nothing more than maintaining the best possible good for the greatest number. I voted against the retention of the death penalty because people told me, and they cited statistics, that it would take the human race one step further along the road to the Utopia which we are all striving to reach. So going against what was common sense to me, I agreed to give the abolition of the death penalty a chance, to see if humane treatment of cold-blooded killers, killers of children and of bank tellers, killers of people who had worked hard to buy their own property and believed they had a right to keep it, would do the greatest good.

● (5:50 p.m.)

I did this, Mr. Speaker, because I have a profound belief in the decency of human life. Let nobody in this House or this country tell me that if I vote such and such a way on abortion it is because I am a cold-blooded killer either of women or of children. I will vote as I have indicated because I have a profound respect for human life. If anybody can convince me that I have a right to terminate the life of an unborn child for the good of humanity, for the enoblement of the human race, for the

greater good and decency of society, then I will vote for it. At one stage I was weakening in my stand. A lot of people were telling me that thousands of young women were risking their lives undergoing non-therapeutic abortions, and the removal of abortions from the Criminal Code was supposed to be the answer. But then, Mr. Speaker, on television I saw a man boasting that he had performed 13,000 abortions. In this age of the pill surely this is an abominable attack on human life and is completely inexcusable. The pill provides an alternative which is something short of cold-blooded murder.

When I see pictures of the human fetus sucking its thumb—psychiatrists tell me that sucking the thumb is the child's subconscious seeking of comfort; he is trying to get the human contact which he does not get in the mother's womb; he is looking for his mother's breast and for the human contact that he soon will have—don't tell me that he is not a human being and that subconsciously he is not going through mental torture and requires comfort. But we say, in our kindness, to avoid a little embarrassment for those concerned, that the mother should be aborted. Mr. Speaker, with every passing year there is less embarrassment over such a situation. The fact that one is answering the call of nature is no excuse for killing the unborn fetus. Pre-natal killing is only excusable if it will have the effect of benefiting society, of being for the greater good of humanity.

Now people say that because of the population explosion we cannot afford these unborn children and that we should terminate their lives as soon as possible. Well, we still have hundreds of thousands of bushels of wheat that we are trying to get rid of and could be used for food. We still have immigration laws which welcome people into our country. We still have the baby bonus; it has not been outlawed yet. We still encourage people to raise families—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I do so to advise him that his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Bigg: I thank the House, Mr. Speaker. This is an important subject and I hope I am not boring the House. The question of abortion is a very important one. I do not think that we who have religious scruples should try to force them on anybody else, but on the other hand those who do not have religious scruples should not expect to force their atheism upon us. If, in the wisdom of the Canadian people, 51 per cent decide to take abortion out of the Criminal Code, that will be our law and we will honour it. But, Mr. Speaker, I feel very strongly on this subject.

I believe that from the moment of conception there is a human soul which is every bit as important as mine. To clinch my argument I say that only when you become a grandfather can you look at this question in its proper context. Time does alter attitudes. Last weekend six of my grandchildren came home. One of them is a little adopted girl. Legally she had no daddy. Her mother abandoned her and my daughter took her in. She is our eldest granddaughter. If you want to see a little cherub, a little walking argument against abortion, come home with me some weekend and we will make up a little party of seven.

Which of those grandchildren did I have a right to destroy? If my daughters did not want them, they would not have ordered them. This little six-year old, the eldest, the sweetest of them all, is the product of an unhappy adventure. But there is a much happier ending to the story. She came into contact with love—ordinary, motherly love, unpaid, unpromised, unrewarded with unemployment insurance, unrewarded by old age pension or other such benefits. She has fallen into a home filled with love. This is the complete answer to our problems whether they be unemployment, old age pensions—you name it. It is certainly a complete answer to the question of abortion.

Mrs. MacInnis: Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: The hon. member may call it six o'clock if there is unanimous agreement to do so. Is there such agreement?

Some hon. Members: Agreed.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have gained a lot of satisfaction from the fact that this subject has been chosen for debate in the House of Commons. Yesterday was International Women's Day, a day which has for many years been celebrated by women all over the world. It seems to me fitting that we should be marking International Womens' Day by having this debate.

I think a number of us, although we were very greatly surprised, were pleased with our unpredictable Prime Minister (Mr. Trudeau) who at a Liberal gathering last week chose this as the subject of his speech. We were not quite prepared for the enthusiasm with which he entered into the subject and which he displayed a night or two later by becoming married. This was a great delight to people all across this country.

It is my hope that some hon. members who may be a little lukewarm about this subject will find that as they discuss the matter their enthusiasm will increase. I would not like to see that enthusiasm increased to the point where married members of the House will get into difficulty with their wives, but who knows what will happen if men's liberation takes hold? No one knows where it will end.

I should like to address myself particularly to the approach taken this afternoon to certain recommendations contained in the report on the status of women. The hon. member for Greenwood (Mr. Brewin), who is the chairman of our caucus, made a very fine survey earlier today on the recommendations of that report and the areas the recommendations covered. I should like to deal particularly with two of these areas. The first area has regard to day-care centres, and the second is the matter of family planning.

The recommendation urging day-care centres was received by the Royal Commission on the Status of Women from one coast to the other. More than any other recommendation it kept cropping up in the submissions of delegations which appeared before the commission. I think there are various basic reasons why this recommendation was so strongly urged. I would like to refer to the three most important reasons.

Day-care service is important, first because it fits in at this particular time when women, whether everyone appreciates it or not, have reached the point in our society where they have a capacity and a desire to become not merely women but fully rounded out individuals. They intend to spend part of their time in the home with their families and part of their time away from home working in the community, just as men have been able to do for a long time. This is the point women have reached, and we might just as well recognize that fact. Women will no longer be satisfied to be given the choice of home and family on the one hand or creative work in the community on the other.

• (8:10 p.m.)

They will say: We will not take one or the other. We will have some of both. That is one reason why day-care centres have been urged as a means of making it possible for women to do this without neglecting their family duties.

In the second place, child-care centres, or day-care centres are urged for the very obvious reason of protecting children and providing the proper place where they may grow and develop under proper supervision with children of their own age. The third reason is that in our society we are realizing that today the family foundations are not as solid as we should like them to be. We know that they will not be too solid on the old basis any more. Our choice today is either laying down family foundations on the new basis, which would be a solid basis, or allowing them to slip and disintegrate.

Today the cold, hard truth is that we have reached that stage in society where child care and the life of the home will no longer be the sole responsibility of the mother or woman: it will be shared with the father and husband and with society. Those are the patterns that are emerging, patterns to which we must pay attention. Therefore, the Royal Commission on the Status of Women recommended that the Parliament of Canada pass a national day-care act which would provide funds for half of the operating costs of child-care centres, or day-care centred as they are now called, 70 per cent of the building costs for the first seven years and that the provinces shall operate these day-care centres through child-care boards.

The royal commission was well aware of the provisions of the Canada Assistance Plan under which if a province wishes to embark on a program of day-care centres it can apply to the federal Department of National Health and Welfare and obtain 50 per cent of the operating costs. The commissioners knew that perfectly well. They also knew that this provision did not go far enough. Therefore, the whole business of capital costs for child-care centres and for renovating older buildings to be used as child-care centres, to say nothing of the provision of new ones, had to be considered in the context of a much broader framework of child care. So they had in mind a federal child-care act under which funds would be provided to the provinces for the measures that I have mentioned. The provincial authorities and, under their aegis, the local authorities, would operate the child-care centres. I use the term "child-care centres" from preference. The commission talked about day-care centres because day-care centres are usually the first step: they provide care for the children of mothers who must work by day. The commission recommends that as a beginning, because the need there is the greatest and because we must begin with day-care centres. Later we can build up the whole framework of child-care centres.

Canada is industrializing quickly. We are told that by the end of the century a large percentage—I have heard the figure of around 80 per cent mentioned—of our people will be living in the three cities of Montreal, Toronto and Vancouver. So we are beginning to wonder what is to happen to children of mothers who are out working and earning their living. Of the total Canadian labour force, according to figures released about the middle of January this year, 32.6 per cent are women. Of these, 33.1 per cent are single, 57.6 per cent are married and 9.2 per cent are widowed, separated or divorced. According to a Department of Labour estimate, of the women who have been married and who are now in the labour force, 19.1 per cent have children under six years old. Practically 20 per cent, or one-fifth of those women, have children under six years old. That means that there are nearly half a million children—489,000 to be exact—under six years old in this country.

What happens to so many of these children who in many, many cases are the children of working mothers in low-income groups? Not long ago the Minister of National Health and Welfare (Mr. Munro) estimated that in Canada more than 900,000 children of working mothers might need day care, but only 9,000 are getting it in day-care centres. This means that we have excluded most children and have exposed them to all the physical dangers that children can be exposed to when they run around without proper supervision. We have exposed them to the dangers of delinquency, maladjustment, alienation, the danger that they will adopt the habits of the drug culture and all the other dangers that children without supervision and proper care encounter. It means, in addition, not only neglected children but overwrought mothers, mothers who have to divide their energies

between work and home. Many of them have spent a whole day at work, then they must come home and in the evenings try to take care of the family and do their housekeeping.

Why do these women work? According to the 1967 figures, the latest ones I could get, about a quarter of the women out working who have children of under school age were married to men with incomes of $3,000 a year or less. Therefore, a quarter of these women were out working for the sole reason that they had either to support their families—they were the sole support—or because their husband's income was so low that the woman's pay cheque was necessary if there was to be enough for the family.

Dr. Reuben Baetz, of the Canadian Council of Social Development, said a little while ago:

> We suffer from a kind of double vision in Canada: people appear to approve the enrolment of children of the affluent in nursery schools and to disapprove the enrolment of the children of the poor in day nurseries.

Why is this so? Why are there objections to day-care centres for the children of people on low income? I believe our choice today is between caring for the child or neglecting the child. That is our only choice. No, there is another. I think we ought to be prepared to do what I have suggested in this House. Where there is a woman with small children, I think she ought to ge given the choice of staying home and looking after them, as opposed to being forced out to work because the family income is too low.

I have proposed twice in this House that we do as they do in France, pay a salary to that mother. This would enable her to stay home and care for those children. However, in Canada we are apparently deciding not to follow that way. Therefore, we shall have to take the day-care way, which has proved to be a very good way indeed where it has been tried. We have lots of precedents for this. For example, England now has a variety of programs for pre-school care and a three-year training program for pre-school teachers. Sweden's pre-school centres are very well equipped. France has pre-school institutions directly under government control. Crèches, boarding nurseries, day nurseries, baby-sitting centres and counselling centres are under the ministry of social affairs. Nursery schools and kindergartens are under the ministry of education. In Denmark, day-care facilities are available to children from birth, in Britain from the age of one month, in Sweden from six months and in France from early infancy.

• (8:20 p.m.)

It is evident that Canada is far behind in the provision of services for pre-school children. I think that behind every objection is the expense. It would cost the taxpayers money to have child-care centres. But I quote Jerome Kagan, Harvard child psychologist, writing a few days ago:

> —if the family is to survive as the central unit in western society many billions must be spent for a system of day-care centres for children of working mothers.

Otherwise, the family is headed for disintegration and deterioration. I picked up the latest copy of *Chatelaine* magazine which is well known to Canadian women. I wish to quote as follows from an editorial entitled, "Yes, dear governments, we can afford day care":

> We are the second most affluent country in the world but away behind other western countries in day care. Yet we can afford to spend $17 million refitting an aircraft carrier we didn't need.
>
> Almost 40 years ago we found the money to set up a national broadcasting system. After the war we got around to subsidizing ballet, opera and the arts. We spent $50 million on the Seaway, and $375 million on a pipeline. We've also managed to set aside $10 million to help develop Canadian films. Isn't it about time we found money to spend on our children?

I believe that it is. That is the reason we are pushing this recommendation. I wish to deal briefly with the need for family planning and its various aspects of birth-control, abortion and sterilization. I am not going to be drawn into debate on abortion, not that I am not tempted to go down that particular garden path, but we have been promised time to discuss that subject in the House on another occasion.

We in Canada are deplorably slow in acting on family planning, birth-control information and contraceptives. We need to consider this from many angles. As I have stated previously, birth-control and the widespread knowledge of contraceptives are the proper and sensible first line of defence against unwanted pregnancies. To those people who are always speaking about the awfulness of abortion and its dreadfulness, I say that if they are serious about wanting to cut down on the number of abortion cases in this country, legal and illegal, they should get busy and push a great deal harder for the dissemination of birth-control information and contraceptives. That is the only way to keep down abortions.

Some hon. Members: Hear, hear!

Mrs. MacInnis: As far as I can learn, and I believe this is in the report of the status of women, out of the 900 large general hospitals in Canada only three have birth-control clinics attached to them. I would be glad to learn that I am wrong. I am not happy at the speed with which the Department of Health and Welfare is proceeding on this matter. There is too much everlasting planning and not enough everlasting action. In an editorial in this morning's Vancouver *Province*, the minister responsible for housing was complimented on saying:

> We can't research forever. We have to move, even if still somewhat crudely, in some direction.

One area in which we have to move is birth control and family planning. We have to move to implement the recommendations of the Royal Commission on the Status of Women. I am glad that the minister has appointed a task force. Esther Greenglass, a member of the task force, stated:

> First we must have changes in the law and then the changes in attitude will follow.

I think the changes in attitude are coming. However, there is nothing like changing the law to help those who

are laggard. A lot of people in Canada need to be helped in their thinking. Thinking in the old-fashioned manner is just too dangerous. If we are to make good progress in this country, and if women are to take their position as full partners alongside men, this government must take immediate action to implement the report on the status on women. Sufficient research has been done on this report and in other places. The time for action is now.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I have listened to the debate today with great interest. I am rather surprised at the level of debate and the diffidence with which members of the House seem to have approached the subject of the rights of women in society. Hon. members should have much stronger views on many of these subjects than have been expressed today. One member indicated that he was opposed to any changes with regard to the status of women. He then went on to say what great people women were. I thought he was going to end up by saying that some of his best friends were women. That was about the extent of the contribution he made to the importance of the rights of women.

I do not see how any politician can be under any illusion about the value of women in our society. In my political work I have found that women are involved in politics and men talk about it. When you want to get something done in politics, you get women to help you. After all is done, the men sit in the back room and discuss politics. It is the women who do and the men who discuss.

I do not think any member of this House should be backward about assisting women to achieve the rights in society which they deserve. Roughly 50 per cent of our population is composed of women. We do not see a representation of that extent in the House of Commons. A number of minority groups are represented here. We have one Indian, one black and one woman. It is a disgrace that a group in our society which represents half of our population is represented in such a meagre way.

Mr. Alexander: What do you suggest?

Mr. Howard (Okanagan Boundary): Mr. Speaker, I do not mean that in reference to the very excellent representation we have from the hon. member who spoke before me. She makes up for many members in this House.

Mr. Alexander: You almost got out of it, but not quite.

Mr. Howard (Okanagan Boundary): Over the centuries we seem to have developed a kind of mystique in dealings between the two sexes in our society. A couple of days ago I met a member of this House in a gift shop on the Mall. He was shopping. When I asked him why he was shopping, he said that his wife had not spoken to him for three days.

Mr. Dinsdale: Lucky fellow.

Mr. Howard (Okanagan Boundary): He said he wanted to pick up some little thing just to show his appreciation. This is the kind of impasse we have reached in our society as between men and women. It is time we approached the subject seriously and paid attention to the obvious wrongs that exist in our society and in our dealings as between the two sexes.

• (8:30 p.m.)

Without question there is unfavourable discrimination in respect of half of our population and it is time we did something to clear it up. A number of hon. members have dealt with specific examples of discrimination in our society and I, too, wish to refer to specific examples. Discrimination under the law is surely one of the most tried and true methods of eroding society. Wherever the concept of one law for the rich and one law for the poor has been carried out to any great extent, major revolutions have erupted with the oppressed class shaking off the shackles with the frightening violence of the Russian revolution, the French revolution, or the restrained violence of the racist upheavals in the United States.

Usually such discrimination has been directed against a minority in society, whether based on race, religion or social class. Women, however, are not a minority group. My guess is that they make up about 50 per cent of our population and yet in one area we see discrimination under the law against this non-minority group based solely on the difference of sex. While it is doubtful that the women of Canada are on the verge of sharpening their guillotines, laying in a supply of gunshot or studying the tactics of urban guerrilla warfare, an examination of the laws against discrimination in the labour forces as they affect women can only lead us to the conclusion that they are more honoured in the breach than they are in the observance. Nobody in Canada seriously denies the validity of the conception of equal pay for equal work. Many of those who dispute the claims of women regarding discrimination in the labour force point to provincial and federal legislation as proof that such discrimination does not exist. This is not proof.

As the Royal Commission on the Status of Women has stated, "International, federal and provincial acceptance of the principle of equal pay has largely settled the former issue"; that is, the issue whether or not there should be different rates of pay for men and women. But what these jurisdictions have failed to do is ensure that the principle is universally observed. Those words are to be found on page 66 of the report. In other words, Mr. Speaker, we are dealing with a failing in the judicial system which is, unfortunately, not uncommon—that while the law exists on the statute books, it is not enforced and thereby loses any significance in terms of its impact on the social questions with which it is supposed to deal.

The studies undertaken by the royal commission indicate that while every province, with the exception of the Yukon Territory, has legislation specifically prohibiting different rates of pay on the basis of sex, and while the federal government also has regulations governing equal pay for female employees which apply as well to Crown corporations, there is nevertheless real evasion of the intent of the law not only on the part of employers but

on the part of labour unions. The report cites the example of the experienced female fish worker who receives $2.15 an hour, while an experienced male fish worker receives $2.83 an hour. The report adds, at page 72:

> We were even more mystified when we were told that an inexperienced male fish worker was receiving $2.37 an hour.

Female nursing assistants who must have received in addition to grade 10 education a training course of about ten months duration as well as special provincial licensing, are often paid less than male nursing orderlies who have no qualification requirements to meet and get their training on the job. As a matter of fact, the commissioners had to look no further than the publication of Canada's own Department of Labour, economics and research branch, whose 1967 table of wage rates for male and female knitters in the hosiery and knitted goods industry showed glaring differences in pay scales.

In some cases it appears employers go out of their way to differentiate duties as between women and men so they may be within the letter of the law but outside its intent. But employers are not the only villains on the scene. Labour unions have been markedly slow to fight on behalf of women employees, not only in the matter of pay but with respect to all other fringe benefits. However, since we are dealing with the principle of equal pay and not with other matters pertaining to the welfare of worker I will confine myself to quoting only that portion of the union brief received by the commission which deals with pay. The brief in question states bluntly:

> It has unfortunately been impossible, we must admit, to secure real implementation of the principle of equal pay for equal work in certain sectors.

This type of discrimination does not exist only at the social level of the labourer, blue-collar and white-collar worker. For once the discrimination is not discriminatory along class lines. Professional women are not excluded from the misery of their less educated sisters. The average salary of women in the academic professions was $2,262 less than men in 1965-66, and only about half of the difference could be explained away by age, degrees held, field of specialization, university, region or academic rank. Difference in women's salaries ranged from $433 for associate professor to $2,790 for dean. In other professional fields similar tendencies were tabulated, the greatest differences being in the field of medicine.

We are therefore looking at the most classic and reprehensible form of injustice, the injustice which makes mockery of the law and civil and criminal codes. We are looking at the type of injustice which has been well documented in the case of the southern American negro who, when accused of a crime, finds that the ordinary processes of law are subverted by the prejudices of the white juries who sit in judgment. We are looking at the type of injustice experienced by the Russian peasant whose recourse against excessive taxation in the courts is non-existent, although it is given usual lip service in the statute books.

When a law to prohibit discrimination exists in our legal codes but does not exist in fact, then we are eroding our own legal system and the eventual victims of such a course can only be each one of us. The reason for the continuation of this type of discrimination is not any concerted effort on the part of masculine oppressors to keep women in economic subservience, in spite of what the women's liberation movement might think. On the contrary, it is male legislators by and large who have drafted the laws outlawing discrimination on the basis of sex. The main reason for the breakdown of these laws is that the onus of proof is on the aggrieved person.

As the commission points out, many employers go to considerable lengths to make identical jobs slightly different. Another example which they cite is worth repetition. A large manufacturing firm with union representation has two wage scales for the virtually identical job of janitor and janitress. The male janitor's wage is 5 per cent higher than that of the janitress. The only small difference in the two jobs is that the janitor is required to wheel the garbage from his work area to the disposal area, while the janitress places the garbage from her work area outside the washroom. Despite this deliberate circumvention of the intended law, one further factor makes it almost impossible for the female worker to seek redress under present legislation.

• (8:40 p.m.)

Under the existing legislation, with the exception of the provinces of Ontario and Nova Scotia any complaint has to be lodged by the person aggrieved. In what position does this put a female worker if she has to lay a complaint that will get her fired in the long run, even if she succeeds in getting her complaint heard and acted upon? To compound this unfairness, where a woman has been willing to risk the wrath of her employer the penalties for breaking the law have been so low that the employer has often felt it more financially beneficial to continue to break the law and pay a small penalty than to worry about being charged with discrimination. Obviously, a law that demands unreasonable proof on the part of the complainant, which threatens the complainant with the loss of her livelihood if she seeks redress under it and which has so few teeth that any convictions are not a deterrent in the future, is a poorly drafted and unjust form of legislation.

As members of the federal Parliament, it behooves us to give serious consideration to the recommendations on pages 76 and 77 of the commission's report concerning the federal Female Employees Equal Pay Act and the federal fair wages and hours of work legislation, just as it is to be hoped that provincial legislatures will also incorporate the intent of these recommendations in their legislation.

In detail, the commission recommends, first of all, that the concepts of skill, effort and responsibility be used as objective factors in the determination of what is equal work. This first recommendation is obviously designed to stop the dishonest practice of making some slight change in the female and male work categories in order to justify salary differences. It seems to me that the interpretation of this provision could well be handled by unions wherever there is union representation, in cooperation with governmental agencies, so that the union

could, with the knowledge that comes from close association with this day to day work situation, determine when two jobs fall roughly within the same category of work.

The recommendation makes the second point that an employee who feels aggrieved should be able to refer the grievance to the agency designated for that purpose by the government administering the legislation. Obviously, all governments need to establish such an agency. The report further recommends that the onus of investigating violations of the legislation be placed in the hands of the agency administering the equal pay legislation. Further, and most importantly, it is recommended that the agency be free to investigate whether or not complaints have been laid. It is this which is the crux of the whole matter.

Ineffectual laws are laws that are not enforced. Anti-discrimination laws have not been enforced because no one has been empowered to find out when they are being broken. Clearly, the breaking of such laws is not within the jurisdiction of a police force. For one thing, most of the legislation requires the aggrieved party to lay a complaint. Even where such provisions do not apply, how could we expect charges of that kind to be investigated by a policeman? Therefore, clearly the laws have been lacking in their failure to establish a policing authority, and this particular recommendation that each governmental jurisdiction which has passed such laws also be required to set up an agency which will have a policing authority is the only way justice can be done. As I have said before, it is the aggrieved party who is in the peculiar position that she may suffer, in fact probably will suffer, the punishment of losing her job if she wins her case. It is similar to saying that although the operation was a success, the patient died.

The commission's recommendations go on to suggest that the anonymity of the complainant be maintained wherever possible, and that provision be made for an authority to render a decision whether or not the terms of the legislation have been violated. It advocates appeal procedures, guarantees that the employee's status be in no way adversely affected by application of the law in her case and also that she be compensated for losses in pay and fringe benefits, loss of vacation pay, and so on, in cases where the law has been violated. It is also advocated that the laws be applicable to part-time workers as well as full-time workers, and above all that the penalties be sufficiently heavy to be an effective deterrent.

In conclusion, it seems clear that in the interests of justice no government body with equal pay for equal work legislation already on its statute books should lose any time in establishing agencies to see that the laws are not merely hollow expressions and idealistic theory but, instead, are vital, workable and enlightened statutes that will free about 50 per cent of our society from a legitimate discriminatory grievance.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the subject that has been chosen by our friends of the New Democratic Party is one that, so far as the male of the species is concerned, leads one to the conclusion that angels move in where devils fear to tread. As the previous speaker has mentioned, the contributions of the male members of this House have been somewhat reserved and circumspect because they are moving into an area of discussion which is loaded with guilt feelings and complexes for most members of the House. The most vigorous presentation that has been made in the debate was that of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) who represented the so-called weaker sex very forcibly in the discussion of this important subject.

The reason it has been chosen as a topic for debate today arises, I suppose, from the fact that we have had in our midst during the past few years a protest movement, among many other protest movements in this rapidly changing society in which we live, which has become somewhat strident. I refer to the Women's Liberation movement. Some very famous exponents of the tenets and philosophy behind the movement have appeared on the horizon, perhaps none more knowledgeable on the subject and better known than Mrs. Betty Friedan, who with her book "The Feminine Mystique", written in 1963, leapt into fame and, I would presume, a considerable fortune because of the vigorous manner in which she presented the viewpoint of feminine libertarians, if I may use that phrase.

• (8:50 p.m.)

I must confess I have not read the book "The Feminine Mystique" in any great detail, but I have been intrigued by the word "mystique" because it seems to me to have some interesting connotations which require further investigation. I did look in the dictionary in preparation for the remarks I shall make tonight and I found this most intriguing definition:

> Mystique: concern with the direct communion of the soul with God; seeking absorption into God or the infinite; believing in the spiritual apprehension of truths; intellectually incomprehensible; spiritually symbolic; esoteric; mysterious; awe inspiring.

Now, Mr. Speaker, faced with a formidable definition of that kind I think you will understand why I am moving in this debate, as I have already indicated, where angels fear to tread. That definition brings the phrase "feminine mystique" within the category once referred to by the great parliamentarian, Winston Churchill, when he used the phrase "a riddle wrapped up in an enigma".

There is no doubt that the current feminist movement is the most vigorous, if not strident, we have seen in the long history of the gradual evolution and development in respect of a position of equality for the female of the species with the male of the species, homo sapiens. I immediately ask a very practical question. Perhaps this is why over the years the term "the weaker sex" has been applied to the ladies. As I leave my house every morning, I contemplate the great piles of snow resulting from the unusually heavy snowfall and I ask myself who is going to shovel the snow. Obviously, this is definitely a male role in society because of the male's superior physical capacity and strength. This no doubt is the reason for the

well known cliché in reference to the ladies being the weaker sex.

That weaker sex, I submit, has made gigantic strides considering the great handicap with which they started. If we go back a millennium, certainly in the period A.D., we have seen women make enormous progress. Men once debated whether or not a woman had a soul. Some have said women were the first domestic animals of the male. This is a situation which actually existed in one society. They were excluded from education and from the professions. They were regarded as chattels. Then came that period of the romantic glow when knighthood was in flower, and suddenly the feminine mystique blossomed in the romantic aura of courtly love.

But I suppose the greatest step forward was in the industrial revolution when the militant feminists first appeared in our culture. This period extended from the end of the nineteenth century to about 1930, the period marked by the militancy of the suffragettes and the ladies who led the campaign against demon rum. Actually, I suppose we must give them credit for introducing prohibition through the political process. In Manitoba we had a most interesting representative of the suffragette movement in Mrs. Nellie McClung, who brought down a government by her forceful feminine militancy. I am sure Mrs. McClung, who is being commemorated for her part in the feminist movement by having her home declared a national historic shrine, deserves all the credit she is now receiving even if posthumously as is so often the case in respect of those who play an important role in advancing specific social issues.

It was the vigour of the feminist movement of that period which led Emmeline Pankhurst to elevate the role of women almost to the level of a deity since she is supposed to have used the famous words, "trust in God; she will provide". Certainly there was some of the power and influence we usually attribute to the Godhead in the movement that was a very important part of the social change and involvement during the first 30 years of this century.

There is a new dimension to the current feminist movement which should be noted. It is the most strident feminist activity that has appeared during the period of history to which I have been referring briefly tonight. It is part of the radical left which repudiates all values. It is represented mostly by the extremely young, sometimes the very beautiful and quite often the permissive element of the youth culture which often has been represented in the protests which have been made on our university campuses. If we attempted to analyse the situation in detail, we would find it results from the period of prolonged adolescence which is a part of our current social situation when young people remain in university for as long as ten years in the search for an identity in a rapidly changing society.

These people sometimes become quite violent in their expressions concerning issues about which they are particularly concerned. We had a demonstration of that in this chamber not too many months ago, and in the 20 years I have been a member of this House it is the only time I have seen a protest group bring the deliberations of Parliament to a temporary cessation. I am sure Your Honour will recollect the vigour, vociferousness and strident nature of that event. This, as I see it, is one of the aspects of the current feminist movement which doesn't help create a positive image on behalf of the women of our society who after all have a legitimate claim.

• (9:00 p.m.)

Actually, without prejudice, I think I can say the women have done quite well for themselves in the western culture. They have achieved the heights in the professions, the arts, the sciences. There is one area where the role of women, of course, is unique and indispensable. I do not think we will ever get around the very basic and elementary fact that women of the world are the mothers of the race. Even though there have been such flights of philosophical fancy as those of Aldous Huxley in his "Brave New Yorld", where he anticipated the elimination of the basic role of the other sex through the use of test tubes, and so forth, I believe that era is still far off in the fantastic future.

As someone said when they were debating in the chamber of deputies in France during the suffragette movement following World War I, "After all, there is very little difference between men and women in our society", whereupon an enthusiastic voice was heard to exclaim, "Vive la différence". I am sure that that basic difference is one that will be perpetuated and is not likely to be subject to change, no matter how many Parliaments deliberate on the matter or how many voices are raised in protest.

The basic role of women in every nation is that of being the cornerstone of the family. You can put into better words the fundamental role of women in our society than those of the wedding ceremony in which most of us have taken part at some time or another in our life, namely, "to have and to hold, to love and to cherish until death do us part". There is no doubt that the role of women is changing in our industrial, urbanized society. I think it is changing for the better. In the family relationship there is now a partnership, a companionship, a sense of equality between husband and wife. There is now a deeper appreciation of the other half of the partnership on the part of the husband, the helpmate role that has even been recognized by the man who has the highest position in the nation and the greatest responsibility, our own Prime Minister (Mr. Trudeau). This is a fundamental role and, as I say, it is the cornerstone of society.

I believe that the role of the housewife, even though women are more and more entering into various aspects of the work world, is the basic and most important challenge that any woman can assume and accept in this confused day and age. Some say that there is a great revolution going on in mores, moral codes and the other disturbing changes that are taking place in society. But if you get down to the essence of the problem you will find that there is no real revolution in mores, and the majority of women as well as men believe that the basic function of sex in perpetuating the species should go only

hand in hand with the serious, permanent emotional involvement that comes with marriage.

All this has been brought into focus for the purposes of this debate by the report of the Royal Commission on the Status of Women. There are 167 recommendations that have been put forward, and many of them, as has been pointed out by earlier speakers in this debate, will undoubtedly improve the status of women in our society. A good many of them, some 68, deal with the new responsibilities and the increasing role of working wives and working mothers.

The hon. member for Vancouver-Kingsway made an eloquent plea for child-care centres and there is nothing further that can be added in this regard. I believe that women with their mystique—if I can use that word in the broad definition that is given in the dictionary—have a great contribution to make in the workaday world as well as in the increasing area of activity and responsibility, namely that of voluntary service. It is obvious that this is an adjustment that must be made if we are to make it possible for women to make the contribution that only they can make.

I am interested in seeing among the 167 recommendations the emphasis on the necessity of research and broader programs of self-help for our Indian and Eskimo peoples. The Indian, Eskimo and Metis associations have had among some of their most creative and vigorous leaders these voluntary lady workers. I agree most enthusiastically that this is a role that they can play with increasing effectiveness.

To bring these brief remarks to a close I should say, however, that I am on the side of John Humphrey who was the dissenter in the report of the Royal Commission on the Status of Women. Maybe he is a prejudiced male, but there are some areas that have been covered in the 167 recommendations which I agree call for some reservation. As an example, he mentions the quota system. The suggestion that was put forward by the ladies on the Royal Commission on the Status of Women was that the way to get equality of representation and of opportunity is to establish a specified quota of women designated for various appointments.

I do not think women themselves want to be placed in this specialized category, because I know from experience that if given the opportunity and if the legal restrictions and prohibitions are removed, as they are gradually being removed, women will find their niche without any condescending attitudes on the part of the dominating male to make sure that they get their equitable share of appointments by an arbitrary quota system. They want no special treatment in this regard.

Perhaps, finally, I can use the male cliché that is usually resorted to in discussions of this kind, that suggests that most men envy the special role and status occupied by women. One of the popular comic strips which depicts the typical middle-class family relationship in our society is Dagwood. These comic strips are a very penetrating commentary on our social phobias and hang-ups. The message that comes out loud and clear from Dagwood is that men are also on a treadmill. Perhaps they should launch a liberation movement of their own, because in the final analysis, as the old cliche says, the hand that rocks the cradle inevitably rules the world. George Meredith, another male commentator, put it in slightly different terms and I will close my remarks with a quotation from him as follows:

• (9:10 p.m.)

I expect that women will be the last thing civilized by men.

Mr. John Gilbert (Broadview): Mr. Speaker, it has been said by many people that Eve was born from the rib of Adam, but there is also a general feeling that it was not from the rib she was born but from man's funnybone.

Mr. Dinsdale: How about his backbone?

Mr. Gilbert: We find that a cruel joke has been played on women from the beginning, because the struggle for women's rights and their dignity has been hard and long and it is probably because of men's attitudes that the struggle has been so difficult. To bolster my contention I quote Aristotle, the Greek philosopher, as follows:

Woman may be said to be an inferior man.

And the German philosopher Nietzsche, who said:

Woman was God's second mistake.

Then there is the general feeling amongst many today that behind every great man stands a devoted and talented woman, his mother-in-law. I think it was Freud who said, "Despite my 30 years of research into the feminine soul I have not yet been able to answer the great question that has never been answered: What does woman want?" If Freud had been present in this chamber today he would have heard some of the rightful demands of women.

I am rather proud of the report of the Royal Commission on the Status of Women. I am very happy to see the Minister without Portfolio (Mr. Stanbury), in charge of Information Canada, present this evening because as you know, Mr. Speaker, just recently a small pamphlet was issued by the government telling Canadians how their tax dollar is spent. I would like to think that the minister in charge of Information Canada would summarize the report on the status of women and have it circulated throughout the country.

Mr. Stanbury: On a question of privilege, Mr. Speaker, the hon. member should know that has already been done. There is probably now in his hands a very fine summary of the report, which was financed by the government and distributed by the National Council of Women.

Mr. Dinsdale: Financed by the people.

Mr. Stanbury: By the government, on behalf of the people.

Mr. Gilbert: Mr. Speaker, I appreciate the information just given by the minister, but I thought he would have given it such wide circulation that it would be in the homes of all Canadians where every woman, child and

man could read and act upon it, because really it is the bible for Canadian women: it outlines some of the rights to which they are entitled.

As I was saying, if Freud had been here today he would have heard the hon. member for Greenwood (Mr. Brewin) say that it had been enunciated in the Declaration of Human Rights that all human beings are born free and equal in dignity and rights. It is really our attitudes as Canadians which determine whether we are civilized in making women equal in dignity and in rights with men. The hon. member for Greenwood dealt in a broad sweep with the recommendations contained in the report on the status of women. The speech by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) centred upon day-care centres and touched lightly on abortion. The hon. member for Winnipeg North Centre (Mr. Knowles) dealt with pensions and employment of public servants. I would like to deal with chapter 9 of the report which sets forth recommendations regarding criminal law and women offenders. These number 13, running from Nos. 150 to 163, and most of them concern federal jurisdiction. In this chapter it is set forth as follows:

> The criminal law of Canada is built upon a nineteenth century philosophy of the role of punishment in the control of antisocial behaviour ... Canadian criminal law also reflects a nineteenth century view of the status of women.

It points out that women as criminal offenders have a very low ratio with regard to the number who are apprehended and convicted. It points out that only 12.5 per cent of all persons convicted of indictable offences constitute women, a ratio of one to eight. It says that women are rarely convicted of violent offences and that convictions for possession of drugs, vagrancy and attempted suicide involve a higher proportion of women than other offences committed by women. It says that offences by female juveniles usually involve behaviour associated with disorderly conduct and not the violent behaviour often found among male juvenile offenders. This chapter also points out some of the grave injustices which women have suffered under the Criminal Code. With regard to criminal sexual behaviour of women, it says that women involved in criminal sexual behaviour have been either victims of men's assaults, or sexually exploited by men for material gain. This has been clearly shown in the Criminal Code. The best example is prostitution. Prostitution appears to apply only to the female. Prostitution itself is not a crime. Prostitutes are controlled by the vagrancy provisions of the Criminal Code. Section 164(1)(c) provides:

> Every one commits vagrancy who being a common prostitute or night walker is found in a public place and does not, when required, give a good account of herself.

Thus, the law prohibits not prostitution but being unable, it found in a public place, to give a good account of oneself. Prostitutes are ordinarily charged with vagrancy, not prostitution. The man who accepts the solicitation of a prostitute is not prosecuted. A man commits an offence only if he is found in or keeps a bawdy house. Convictions for prostitution open the door to arbitrary application of the law by the police and the setting up of traps to arrest the so-called prostitutes. Under the Canadian Criminal Code, prostitutes are charged, not for what they do but for what they are considered to be: "Once a prostitute, always a prostitute" appears to be the rationale of the law.

• (9:20 p.m.)

Prostitution is fundamentally a social not a criminal problem, and a criminal conviction makes a prostitute's rehabilitation more difficult. Therefore, it is recommended that the section dealing with prostitution under the vagrancy section of the Criminal Code should be repealed. The report also states that if there is evidence that prostitutes are disturbing the peace as defined by the code, they should be charged under that section and not the vagrancy section. Any modification of the law should be followed up with facilities and programs designed to rehabilitate adult female prostitutes. The establishment of halfway homes and training for work which will enhance their dignity are methods of rehabilitation. Section 164 (1) (a) of the Criminal Code also adversely affects women. It provides as follows:

> Everyone commits vagrancy who not having any apparent means of support is found wandering abroad or trespassing and does not, when required, justify his presence in the place where he is found.

This provision is directed to the homeless and transient male and female in need of shelter. Most charges of vagrancy are not contested, and once convicted these people have criminal records it makes their rehabilitation and reformation much more difficult. Therefore, they recommend that section 164 (1) (a) be repealed. This deals with vagrancy.

Another section in the report concerning the Criminal Code is that which differentiates sharply between male and female in many sexual offences. It is very discriminatory. In four sections of the code the presumption of "chaste character" of a girl—up to 21 years of age—forms one of the basic elements of the offence. The onus of proving that the girl was not previously chaste rests upon the accused. This does not mean that the girl has to be *virgo intacta* but, rather, points to "those acts and disposition of mind which constitute an unmarried woman's virtue or morals".

It is unjust to define a crime on the basis of the moral character of the victim. A girl's reputation, her physical purity, her conduct in the past, her conduct on the occasion, do not determine, although they may influence, the matter. It encourages the accused to manufacture evidence and force her to defend her virtue. Whether she is chaste or not, she should be entitled to the protection of the law. Therefore, they recommend that the words "of previously chaste character" be deleted from all sections of the Criminal Code.

Age raises problems because the criminal responsibility of the offender often depends upon whether or not the victim was under age. For example, a child under 14 cannot give valid consent to sexual intercourse or indecent assault. Age is important in seduction cases. The law states that only men or boys can seduce women or girls,

and there is no offence if the boy is under 18 or the girl over 18. The law should clearly emphasize protection for everyone, particularly young people. Therefore, they recommend that the Criminal Code be amended to extend protection from sexual abuse to all young people, male and female, and protection to everyone from sexual exploitation either by false representation, use of force, threat or the abuse of authority. Section 23 (3) of the code states:

> No married woman whose husband has been a party to an offence is an accessory after the fact to that offence by receiving, comforting or assisting in his presence and by his authority any other person who has been a party to that offence for the purpose of enabling her husband or that other person to escape.

This provision recognizes the special relationship created by marriage and rejects the idea that any married woman should be liable as an accessory after the fact if she helps her husband to escape. However, this section makes it an offence for a married man to help his spouse's accomplice to escape. Therefore, in support of equity before the law they recommend that subsection 3 of section 23 of the code be amended to apply to the husband and the wife.

Many women have received ill-treatment within the administration of criminal law. Pre-trial detention of offenders both male and female is closely related to the ability of the person to obtain bail. Lack of money should not determine the obtaining of bail, and pre-trial detention should not be required unless it is for the protection of the public. There is a serious shortage of adequate pre-trial facilities and remand homes to which the court can refer a woman awaiting trial. It is only right that credit should be given to the government with regard to the recent bail bill before the House. It will be returning very shortly at the report stage and for third reading. Some of the difficulties in respect of obtaining bail will then be eased: it will be easier for women and for men to obtain bail. We should also emphasize the point that there should be pre-trial facilities and remand homes to which the court can refer women awaiting trial. Therefore, they recommend that the provincial and territorial government either provide or contract with suitable voluntary associations to provide homes for women on remand.

One of the main approaches in respect of correctional treatment of women is lacking in our present system of correction. The correctional process should respect the dignity of every person. This involves the personal appearance of offenders and the provision of proper clothing and usual accessories. Policewomen should be used to search arrested women. There are very few female police officers now employed in Canada. Therefore, they recommend that the federal government, provinces, territories and municipalities whenever possible assign female instead of male police officers to deal with women taken into custody.

The nature of offences committed by women has a strong bearing on the kind of sentence they receive. Statistics indicate that judges take a more lenient attitude to women than men. The sentence should be directed at rehabilitating the offender. Dangerous offenders should be segregated. The casual offender should be imprisoned only when other dispositions are not appropriate. Time should be allowed for the payment of fines. Probation services should be increased.

One can see the lack of a total correctional service which should be provided not only for men but for women. Therefore, the recommendation is that the provinces and territories ensure that when the administrative policy of their corrections program is being determined, the differences in the counselling and supervisory needs of women and men probationers should be considered, staff requirements should be based on these needs and case loads adjusted accordingly.

Women present few custodial problems in prison. Therefore, it should be possible to reduce security requirements in prison. For crimes without a direct victim—vagrancy, public intoxication, drug addiction, attempted suicide—imprisonment of the offender is inappropriate. These problems should be dealt with by health and welfare authorities. No conduct should be defined as criminal unless it represents a serious threat to society and cannot be dealt with by other social or legal means. Most crimes without a victim should not be considered crimes. Vagrants should not be considered criminals. Attempted suicide is a manifestation of emotional and mental disturbances and should be referred to mental health authorities. Alcoholics are not criminals but are people who need medical help. A similar approach should be used toward drug addiction. The next recommendation is:

• (9:30 p.m.)

> Therefore, we recommend that the provinces and territories (a) develop a health and social welfare policy that would remove from the penal setting the handling of persons found apparently intoxicated and assign the responsibility for diagnosis and treatment to health and welfare administration; (b) ensure that there are treatment facilities for female alcoholics; and (c) in cooperation with health and welfare authorities establish treatment programs, where they do not now exist, for female alcoholics being now detained in a penal setting for criminal offences.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Does the House consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Gilbert: Mr. Speaker, I thank hon. members for permitting me to continue. I will make my remarks short. I have almost finished. I point out that the Penitentiaries Act makes no distinction between the treatment of male and female offenders. The word "refuge" to designate a correctional institution for girls, and "industrial school" for boys, indicates the use of outdated terms. Some provinces discriminate on the basis of sex in determining the minimum age for sentence. Some provinces determine the type of institution by a woman's religion. The commissioners indicate that these outdated words and procedures should be eliminated. Adequate treatment pro-

grams, Mr. Speaker, and services should be organized for women offenders. Women should not be incarcerated in the maximum security prison at Kingston at a time when the trend of penal reform is toward small, open institutions. As a result, quite rightly, the commissioners recommend that the federal women's prison at Kingston be closed.

Speaking on the question of release and after-care, the commissioners indicate that parole services for Indians and Eskimos call for special attention and that these people require parole services to fit their general needs. The commissioners ask that these be recognized and implemented with regard to parole. On release, most offenders find it difficult to become reintegrated in the community. Halfway houses for people newly released on parole or discharged from correctional institutions, where they can stay until they have become adjusted to life outside, are extremely important. If we are to provide follow-up and after-care services for young women we shall need halfway houses in which they can be reintegrated in society and in which they can find friendship, employment and fulfilment.

Of all chapters in the report on the status of women, chapter 9, dealing with women and the criminal law, is perhaps the most important. I underline the necessity of the government's moving rapidly in bringing about changes in the criminal law so that women may obtain equality and fulfilment.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, it is indeed a privilege to participate in the debate on the status of women. I will take note of the fact that in the report significant mention was made of the subject of abortion. I will use the time at my disposal to discuss in the House the very difficult, emotional, brutal, tragic and complex question of abortion.

You will remember, Sir, that on Friday last Bill C-32 was debated in this House. That bill had one main purpose, to remove the subject of abortion from the Criminal Code and treat the question as one of individual choice to be made as the individual judges best, without reference to society in general, to the values that society exalts and to the powers to give life or determine death which that society champions and which society says belongs to society as a whole. That decision must be made by society. However, if abortion were completely removed from the Criminal Code, that power would be abandoned. Since my time is limited this evening I will go directly to my main points and state categorically that abortion is death. The decision to abort is a decision to terminate life. Allow me to explain why I think so.

As a free agent, I am free to cut off my own hand or to drop a giant cleaver on my leg. The limb, which was part of my body, which is flesh and blood, tissue and bone, was alive. But once severed from the larger body of the host, the tissue soon dies. It is not able to sustain itself once it is separated from the host body.

If abortion were simply the removal of a small bundle of tissue from somebody's body and were similar to the removal of the bundle of tissue that is my hand, which would not sustain itself apart from the host body and which would therefore die, that would be one thing. That, if it were to happen, would be arrestingly tragic. Anyone who has worked in the healing arts must know this, as must anyone who has read Arthur Hailey's novel "Hospital". We feel a sense of awe when tissue is severed. We must ask, what do you do with an arm or a leg once it has been severed or cut free? Hopefully, we will never have a society with so little sensitivity for the physical presence of the human personality that we will ever treat casually portions of a human body.

A person might cut off a portion of his body from choice. Certainly we have thought that traditional wrist slashing in suicidal attempts, or wilful severing of a limb, was an offence that ought to be condemned by a society in which the value of people is beyond measure and in which the physical life of an individual is something that no one individual has the right to terminate. Now we are moving toward taking suicide out of the Criminal Code. I say that this would be a wise move. But it is precisely because society treats self-destruction as arising from a mental illness, as something done by an ill person who is no longer able to take responsibility for himself, that suicide attempts are being removed from the Criminal Code. That is not being done because society in any way takes lightly the mutilation of one's body or the death of oneself, but because the person is deemed to be deranged and incapable of sound judgment.

A fetus of 12 hours, three weeks or two months is, in one respect, like a limb or portion of a human body. It is human tissue which cannot survive apart from the host body. It is like the victim of polio who dies without his iron lung or the injured hockey player in a coma who exists so long as another person wills that he shall exist and who, unless someone fills the role of host every hour of every day, will simply die. The human embryo is more than a hand or a leg or an eye. When a sperm enters the egg and the chromosomes line up, the genetic characteristics of the third person, now growing, now developing, are determined. Those characteristics are different from the characteristics of either parent. The new combination of characteristics and physical traits are all established and are unique to the individual who is now in the embryonic stage.

This human embryo in its early stages is just like some people who line the wards of hospitals for the aged throughout our land. If you take away the tubes, the oxygen masks and the intravenous feedings—in short, if you remove all the supports to life that must be provided for the individual by others—the individual will die just as the embryo will die if separated from the host body, because neither the individual nor the embryo are capable of sustaining life on their own. Why do these old people die? They die for the identical reason that an aborted child dies: they cannot survive without being surrounded and supported by a human life other than their own.

There may well be a valid argument in favour of mercy killing—euthanasia, to use the fancy word—of one person deciding that it is better for another to die than to

live. Every doctor, in the case of critically ill patients, must at one point or another make a decision along these lines. But we have hitherto believed in our society that life is better than death and that so long as life can be sustained we ought to sustain it. Who among us can assume the role of God and decree from on high that this or that life ought now to end?

• (9:40 p.m.)

Some hon. Members: Hear, hear!

Mr. McBride: If we want to appoint such temporary gods or committees of the "final solution", what should their terms of reference be? When should grandfathers or grandmothers lives' end, and how many years should that boy in the coma be kept around when neither can exist without another human being supporting and keeping them alive? Abortion is much the same.

The decision to be born is never made by any of us. No person has ever decided or had a share in the impregnation of his or her mother which resulted in one's own birth. Out of the union of two people a wholly other third person came into being. That third person was just like the boy in the coma, except he was not injured. He was just like the old man on intravenous and oxygen, only he is not aged or decrepit.

The only argument for euthanasia or ending the life of the month-old embryo is that it cannot make it in the big, bold world on its own. It, too, needs a host person. The mother, father or both, or society, want off the hook. They do not want the pregnancy to continue. It was not the child's choice to be created. That was the choice of the parents. Once the child is created, ought it also to be the choice of the parents to destroy the child? I think not.

Some hon. Members: Hear, hear!

Mr. McBride: Until society is willing to leave to the next of kin the decision as to whether those who cannot survive by themselves ought to live or die, we can scrape up mighty little logic for free abortion on demand that delivers an unborn child into the panicky and often murderous hands of its reluctant mother. Only a very primitive society of the most backward sort would need abortion in this day and age.

Some hon. Members: Hear, hear!

Mr. McBride: To use abortion as a means of birth-control demonstrates a lack of concern for human life, the dimensions of which words are not adequate to describe. There are hundreds and perhaps thousands of abortions each year in our nation. Some are performed by competent doctors, most by amateurs. This is an intolerable situation. Those pregnancies need never have occurred if our homes and institutions in society were providing complete, thorough and adequate training, knowledge and materials for preventing conception, especially to the youth to prevent the tragedy of pregnancies among teenagers.

In the final analysis, the sexual life of an individual is one's own decision, a highly personal concern. If a female and a male person decide to have intimacies of any sort, that must obviously be their own decision. Except where individuals are mentally retarded or where rape occurs, an individual's action and the results therefrom are theirs and theirs alone; that is, a couple's actions concern no one else directly up to and until a pregnancy occurs. Then a very different situation arises. It becomes one where an innocent third party is directly involved. While a person may do what he wishes with his own life and body, hopefully short of destroying both, no such freedom can be given any person over the life and body of another individual.

All members of this House and all members of society who support any kind of permissive abortion legislation, certainly free abortion on demand, must do everything in their power to encourage the free availability of birth-control information and material. In this area we are surely a retarded nation. Only a nation in sad circumstances would be forced to consider abortion to make up for its lack of family planning. If we could do that, Mr. Speaker, it would seem wise that we make it a severe social stigma to hurl into the world a child for whom the parent has made no preparation and whose life the parent is not prepared to support with love, affection and respect.

I think I could make a very profound case for having to do a great deal about family planning and education in our culture so we do not fall into the pattern of some countries where abortion becomes a form of family planning and regular abortions are a habit. Rather, we must use some of the means available to us, and there are many. Perhaps the scientists need to work harder to make them better. We must do that.

I want to raise the question, what do we do now? Abortion tends to be considered in at least four differing circumstances. First, in the situation of a single, unmarried girl; second, the married woman who does not want or cannot have more children; third, rape or incest; fourth, where the child is known to be malformed. In every one of these situations there are instances where abortion may be the best alternative. Given the present sad circumstances of family planning, training and knowledge in Canada, abortion may be the best alternative—but it is never a happy or good alternative. It must always be done with extreme reluctance, just as any other form of capital punishment is meted out with reluctance.

Abortion is death. Once a pregnancy occurs that is unwanted, there are no good alternatives open. One has to weight the degree or amount of dying that will occur in the mother's life if the pregnancy is allowed to continue against the death of the child. One must decide where there is the lesser degree of death or where the lesser degree of dying will occur. It is a tough, brutal decision, one which anyone who has not worked with young, pregnant, teenage girls will find it difficult to fully comprehend.

There are no good alternatives. Abortion is not a good alternative. It may be the lesser of two very bad ones. It is simply a question of death on both sides. Will the child die, or will the degree of dying that will take place in the mother's life outweigh that of the child? This very brutal decision must be made. It is perhaps the toughest decision our culture affords in any set of circumstances anywhere, always an unhappy and often a deadly decision. But it is a decision with which no individual should be faced.

• (9:50 p.m.)

The very consideration of abortion is an admission of failure—failure in family planning. It represents a failure of society to make fully available to our citizens, both the youthful and the more mature, the knowledge, the will and the means of preventing conception; and it represents—more serious yet—a failure to establish in our culture a social tone and a public attitude of respect and reverence for life which would bring an intense social pressure to bear on all, both youthful and more mature, to take advantage of the knowledge and the means now available to us to prevent most unwanted pregnancies.

If all else should fail I, for one, would prefer that we introduce a substance into the diets of our citizens which would render them sterile—I might point out to the House that the word is "sterile", not "impotent"; these are two very different concepts and they should not be confused—so that an antidote would have to be taken before a pregnancy could be initiated. Then even the most illiterate, the poorest, the most victimized or the most mentally retarded would have no need for abortions. Failure to take such basic action is accepting, it seems to me, a far more repulsive and primitive alternative. It is accepting a continuation of what I would describe as a modern-day "slaughter of the innocents". All the removal of the abortion provision from the Criminal Code would do would be to make this slaughter of the innocents legal.

I would therefore use all the influence a member of this House may have to appeal to hon. members, to the government and to the nation in general to reject this barbaric destruction of unwanted children and accept in its place some humane measures which would clean up this literally bloody mess and bring our social sexual tone into line with this century and the greater emphasis on human values which we all, surely, seek to enlarge within it.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, it is a pleasure for me to say a few words on the motion brought forward by the New Democratic Party. Such a motion corroborates the fact that women have rights and prerogatives that should be considered.

Mr. Speaker, a woman wants her rights, her prerogatives and her needs as well as those of her family to be satisfied. It is a proposal of that kind that we must support, although we have to go a little further, as regards abortion.

I shall limit my remarks to the rights and prerogatives that are necessary to a woman to enable her, as well as her family, to live decently in a country that can provide all citizens with everything they need.

It concerns love and interest. Love and interest are the most powerful motives that drive men in their individual and social activities. Every individual lives by himself in his family and in society. Everywhere someone is doing something because he likes to do it, because it is profitable. Love stands on one side and interest on the other. Let us stop believing that they cannot go together.

It must be possible to reconcile love and interest. The government must assume responsibility in that respect. The 264 ministers and members elected by the Canadian citizens according to the Canada Elections Act, must see to it that justice prevails among the 21,000,600 Canadians in 1971, taking into account the production of goods and services.

Perhaps it is normal that, while wielding the ultimate power, the governments should, all things being equal, be inclined to favour their friends, their electors and the party members, to the prejudice of the love they owe to other citizens as part of Canada's population. Interest should not make us forget love.

Since we are talking about women, it is only fair to display a little love. If the Prime Minister (Mr. Trudeau) feels any love for his relatives, his wife and the 21 million Canadians under his ultimate authority, in conjunction with the 23 ministers and other hon. members, he should cause all monetary, financial and political bodies to proceed to a fair distribution of goods and services between all Canadian citizens, according to their essential needs, before someone hoards too much of our tremendous production, after having spent what was necessary to live in plenty and even luxury.

This is what we want. We have to love and help each other—

We certainly do not want to be members of Parliament, or ministers, or to establish a new political party, or to set up a new government tonight. We just want this government to instill some social consciousness into the economical and political bodies of Canada. This is clear and simple and would permit all citizens to live. Women would be less demanding since most of them could stay home and take care of their children.

The economy should take into consideration the family, the individual. If there are revenues, expenditures and profits, each family and each institution should have its share. Buying power should be in proportion to population. Each individual has a right to live and therefore is entitled to buying power which enables him to live decently.

[*English*]

Mr. Deputy Speaker: Order. It being ten o'clock, the debate is deemed to have been concluded in accordance with Standing Order 58 (11).

PROCEEDINGS ON ADJOURNMENT MOTION

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

TRADE—DEVELOPMENT OF U.S. MARKETS FOR ATLANTIC PROVINCES' PRODUCTS—TRANSPORTATION FACILITIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on December 10, two days after the Prime Minister's speech in Saint John, New Brunswick, I asked him to indicate what plans he and his government had made to facilitate the movement of goods from the Maritimes into what he described as the "great consumer market of the United States seaboard". In his Saint John speech, not so lurid as some of his recent utterances but nevertheless an interesting one, the Prime Minister (Mr. Trudeau) referred to, in his words, "an unprecedented opportunity to take advantage of shifting trade patterns". In the same connection he referred to an opportunity for a much improved economic future in the Maritimes.

Increased trade with the eastern United States is not a recent aspiration of the people of the Maritime provinces. In the days before confederation a good deal of our prosperity was based upon commerce between our region, the New England states and adjoining parts of that great republic. Much of our economic depression and recession developed from the dislocation of our trade with this region, resultant from confederation. This is an old story but one which still means a great deal to Maritime people. Thus, when the Prime Minister painted his glowing picture of new trade movements to the south, he doubtless struck a responsive chord in his audience and rekindled the interest of our people.

My question to him then, and I repeat it now, concerns the efforts of the government of Canada to make possible an improvement in trade between the Maritimes and the eastern United States. In the first place, consideration would have to be given to easing tariff restraints. This is a matter which has been discussed for some time. When my hon. friend from Carleton-Charlotte (Mr. Flemming) was Premier of New Brunswick he made constant allusions to the need for taking note of our special trade problems in the Atlantic region. But apart from the tariff we must look at transportation opportunities. We can certainly produce choice products of sea and soil. We have, as the Prime Minister mentioned, a skilled labour force; we have the traditions of competent production. But we must have the facilities to move our goods quickly from production areas to markets.

I therefore asked the Prime Minister, and I ask again, what his government will do to allow Maritime goods to move quickly from the Maritimes to the new markets which he so glowingly described last December. Will he reverse his repudiation of the government's promise to build the Northumberland Causeway so that Island farmers and fishermen may get their produce quickly south? Will he make a big new effort to give major assistance to the corridor road? Will he and his government give the

necessary impetus and the necessary wherewithal to get the Fundy tidal power project under way? This important undertaking would work wonders for the economy of the region—and certainly no one needs to prove that there is a market for power: in the northeast United States indeed there is a crying need for it, and the capacity to fill this need is existing in the Fundy.

• (10:00 p.m.)

Again, in the realm of transportation I ask what is being done to upgrade the airports, to assist in shipping subsidies, to move quickly on the provision of boats which could carry produce quickly and easily from our ports to ports in the south. These, I believe, are the kind of practical things which the government of Canada should do to bring into reality the very enchanting vision which the Prime Minister presented to the people of Saint John last December.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I was moved by the eloquent words of the hon. member for Hillsborough (Mr. Macquarrie) on behalf of the region of the country from which he comes. Before proceeding further I should like, on behalf of the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Ouellet) to apologize for a reference by my colleague, as reported at page 2795 of *Hansard* for January 26, to the hon. member for Hillsborough not turning up for a debate which was scheduled. This was quite in error. There was a misunderstanding over the arrangement made that the debate would not take place at that time; the parliamentary secretary was not aware of that. While we may not agree with the hon. member for Hillsborough's politics, certainly he can never be faulted for being an eloquent and diligent member of the House, always in attendance not only when he is required but when he is not required. The Parliamentary Secretary to the Secretary of State for External Affairs particularly asked me to express his apology at this time.

Regrettably, the only province or territory in this country that I have not visited is the province partially represented, though I think totally represented in heart, by the hon. member for Hillsborough. The question, as I understood it, was directed to the Northumberland Causeway, though he covered many more areas of particular interest in his discourse this evening. The question is a difficult one that has faced virtually every government since they "built" Prince Edward Island. I refer to putting something between it and the mainland. It has become a bit of a sad joke on the part of politicians, particularly at election time, to discuss the great prospect of such a causeway. This government, I submit, has never made any such promise. On the contrary, our promise was to look at things carefully and to see what is practical and economic.

I would not think for a moment that the hon. member for Hillsborough was suggesting that a project that all reasonable studies have considered uneconomic should be proceeded with. There might, of course, be some dispute

about the findings of such studies. Nevertheless, in the judgment of this government, even though a great deal of money has been spent on the causeway engineering studies and on some preliminary work the economics of the project did not stand up to the reality of the situation.

This, of course, does not detract from the need for the adequate transportation that is required to make certain that the markets of the northeastern United States are properly reopened for trade with the Atlantic provinces. It always seems rather sad that there was a great trade at one stage of our national development, which has dwindled. I do not quite understand how this could be better handled with tariffs which would have to be of a selective or even discriminatory nature, but I look forward to exploring that question further.

Mr. Deputy Speaker: Order, please. I regret to inform the parliamentary secretary that his time has expired.

RADIO-CANADA—ACTION RESPECTING ALLEGED SEPARATISTS AND TERRORISTS ON STAFF

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on March 2 I inquired of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) concerning certain remarks he is reported to have made before a meeting of the federal wing of the Liberal Party in Quebec which were strongly critical of the separatist element within the French network of the CBC, Radio-Canada. The minister did not have an opportunity to reply in the House, but outside the House he did comment on the issues I had raised at that time. I did not have an opportunity to comment, so I must carry it further in Parliament at this time. Outside the House the minister, in a Canadian Press report, is quoted as having said that the separatist sympathies of many Radio-Canada employees represent a democratic freedom of which he is proud. By contrast we have the following report of the meeting to which I have referred, at which the minister spoke:

> A group of angry Liberals charged last night that Radio-Canada, the French-language network of the CBC, is contributing more to unrest in Quebec than the terrorist FLQ.

The minister is reported as having said:

> Perhaps we'll have to put the axe into Radio-Canada some day when we feel the country's very existence is threatened.

The article continues:

> Mr. Chrétien urged delegates to draft a resolution calling on the Canadian Radio-Television Commission to look into Radio-Canada operations.

The report states, further:

> People who watch Radio-Canada are likely to know more about terrorism in Algeria and other places than about constructive happenings in their own country.

Then the minister is reported to have said:

> In my 2½ years in Ottawa I have been given only five minutes on the French-language network, to explain the wonderful things Canada is doing in the north for its native peoples.

Then we find this passage:

> [Mr. Danson.]
>
> Mr. Chrétien said he had been invited by Radio-Canada to "spend five minutes on TV to plug a hole between two half-hour separatist programs."
>
> About 100 strong, the group accused Mr. Pelletier of shirking his duties by allowing Radio-Canada "to systematically destroy the country."

Those are indeed strong statements coming from a minister of the Crown. It was because of this I thought it should be read in the high court of Parliament. I think this should be dealt with in a specific fashion because it represents a dangerous schizophrenia on the part of the government which is running in two directions at once. It is the schizophrenic attitude toward subversion in the mass media which has partly resulted in the situation which made necessary the suspension of civil liberties during the crisis in Quebec last October.

Over the past two years protests have been heard before the Committee on Broadcasting from many Quebec Members of Parliament who have raised the same problem. We had the difficulty in respect of the Company of Young Canadians which had become infiltrated by violent terrorist elements which destroyed the usefulness of that creative idea until today it is just a shadow of what it might have become. We have the Canada Council giving a grant to Stanley Gray who spoke not only in violent terms but—this is the important point, because it is not a matter of freedom of speech—led demonstrations in the streets of Montreal.

• (10:10 p.m.)

To all those protests the Secretary of State (Mr. Pelletier) replied that it was not his intention to curtail these terrorist and violent activities with reference to the CYC and Dr. Stanley Gray's activities. Those matters, incidentally, have since sorted themselves out. But the Secretary of State also replied to the charges made by the Minister of Indian Affairs and Northern Development (Mr. Chrétien). I quote as follows:

> Mr. Pelletier replied that direct government control of the CBC would be more dangerous than any separatist influence within the network and said the CRTC does adequate job of policing broadcasting.

That, I submit, is begging the question. Nobody wants direct government control of the CBC. What we do want is a consistent policy on the part of members on the treasury benches of this government that will prevent the schizophrenic tragedy which for a few weeks last October placed the existence of this nation in jeopardy.

The point I was trying to bring out in my question was that I trust that the resolution has gone forward to the CRTC which has assumed rather unusual powers of regulation and control on Canadian content, foreign influence and other marginal problems of that kind. Surely it can deal with the situation in such a way that the most powerful media of communication developed by man is used for positive purposes in helping to create national unity rather than for the destructive purposes of which it is capable, as has been demonstrated by the "Chicago Seven" and other terrorist elements in the United States.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I was interested in the

remarks of the hon. member for Brandon-Souris (Mr. Dinsdale). I noted that in his question on March 2 he referred to the minister's reference to terrorists and separatists. I should like to correct that. I presume he now realizes that the information was inaccurate; that reference was made to separatists but never to terrorists. I do not think it has ever been denied that there are separatists—

Mr. Dinsdale: I quoted the word "terrorists" from the article.

Mr. Danson: The article was incorrect. I am sure the hon. member realizes that newspaper reports are not always completely accurate, and certainly the minister is not necessarily called upon to defend remarks made outside the House. Nevertheless, I am assured that the reference to terrorists was inaccurate.

The question of separatists is different, of course. Being a separatist is not illegal in this country today, nor is it illegal to be a Tory—and some people think it is quite bad. Some people think that being a Liberal is bad, also. So we have this freedom of political choice. Some espouse the separatist doctrine, which is that of a legal party in our system. I think it is generally acknowledged that a certain percentage of people are of this persuasion.

The important thing is whether the people involved in the mass media are using their position unduly—which is suggested by the hon. member—or whether they are doing their job capably and not using it as personal propaganda media. Perhaps that is really the nub of the question. Certainly it is a matter of balance; and the balance we always seek is to maintain the freedom of dissent and not to abuse it. It is a very difficult and sensitive balance and we have to make certain that we do not throw out the baby with the bathwater.

Mr. Dinsdale: Like the War Measures Act!

Mr. Danson: I need not apologize for the War Measures Act, and I do not think the people of Canada want an apology, because of the circumstances which brought it about.

Mr. Dinsdale: A stitch in time saves nine.

Mr. Danson: A stitch in time may save nine, but I am not quite sure how it relates here. Nevertheless, I think the hon. member has pointed out a problem—

Mr. Deputy Speaker: Order, please. The hon. member for Comox-Alberni (Mr. Barnett).

POLLUTION—CONTAMINATION OF WEST COAST OF VANCOUVER ISLAND BY OIL—RESPONSIBILITY FOR CLEANING UP BEACHES

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the things I would like to say tonight would be much easier said if I had 40 minutes rather than seven. The question I want to deal with was first raised by myself on March 1 in these terms:

> Mr. Speaker, I have a question on a matter of emergency which is causing widespread concern on the Pacific coast. Normally I would address it to the Minister of Transport but in his absence perhaps I might direct it to the Prime Minister. I may say I was in touch with the office of the Minister of Transport on Friday after news of this event reached Ottawa. Can the Prime Minister report to the House on the nature and extent of the mass of heavy oil moving on to the shore of Vancouver Island's west coast in the vicinity of our new national park, and can he advise what steps are being taken by the Department of Transport or any other agency to effect a clean-up?

The Prime Minister said he would draw the matter to the attention of the Minister of Transport because he had no information on it. On the following day, when the Minister of Transport was in the House, I referred to the question I had asked the Prime Minister and indicated that in a communication from the minister's office I had been advised, in addition to certain other information, that the cleaning of beaches was not within the jurisdiction of the Department of Transport. This information was also transmitted to the MLA for Alberni who had wired the Minister of Transport from Victoria on the same subject. This led me to ask the Minister of Transport:

> Under what jurisdiction was the clean-up at Chedabucto Bay undertaken?

Mr. Speaker, who was in the chair at that time, felt that was not a proper question for the oral question period and suggested I might raise it at ten o'clock, which I am doing. I would like to refer the *House of Commons Debates* of February 20, 1970, page 3893, where the Minister of Transport, dealing with the matter at Chedabucto Bay, is reported as having said:

> On the question of what we are doing about it, I might advise the House that this morning I appointed Dr. P. D. McTaggart-Cowan to be the Department of Transport project manager with regard to the whole problem in the Chedabucto Bay area.

Elaborating on that statement on February 24, as recorded at page 4012 of *Hansard,* the minister said:

> —I have asked Dr. McTaggart-Cowan and his associates to have the pollution cleaned up by the start of the major fishing season in the area about May 1st. They have undertaken to do so to the very best of their ability. In their effort they will have the full support of all government and many private Canadian and international agencies.

He went on to explain that Dr. McTaggart-Cowan was meeting that day with the Premier of Nova Scotia. I submit that by that statement the minister clearly indicated that the Department of Transport was accepting responsibility and recognized jurisdiction in respect of the situation at Chedabucto Bay. More recently, in the debate on the report stage of Bill C-2 the Minister of Transport on March 1, as recorded at page 3835 of *Hansard,* said:

> It is perfectly clear that in terms of the sections with regard to pollution matters and the like, the expertise and the capability repose in the Department of Transport. It is also evident, I think, from events of the past year or so—

I might interject that this was an obvious reference to the situation at Chedabucto Bay.

> —that we have quite the best capability that exists at the present time for dealing with pollution incidents of this kind. I would not want to argue that our capability is by any means 100 per cent ... there is a great deal more to be learned about this subject.

Further on he said:

> One or two other illustrations may help to reinforce my contention. For example, it is clear that the coastguard will have to play a major role in terms of carrying out these responsibilities.

Mr. Speaker, in the immediate area of this onslaught of oil onto the glorious beaches of Vancouver Island there exist two installations of the Canadian Coastguard, in the form of a lifeboat station at Tofino and one farther down the coast at Bamfield. I submit that in light of action previously taken by the department, the minister's recent emphasis on facilities and expertise within his ministry and the role of the coastguard in the circumstances I have been describing, the minister must recognize responsibility in this area.

• (10:20 p.m.)

Some rather graphic pictures reached me in the mail today. I suggest that this kind of thing should not be left completely, as appears to have been the situation in this case, to high school children in the area. I give them full credit. These pictures show how hard they worked in cleaning up this heavy mass of gobs of oil from the beach.

This fact should be underlined by the recommendation contained in the report of the task force, volume I, at page 9, which states among other things:

> We recommend that the Minister of Transport have the responsibility for dealing with pollution arising from oil spilled in water when the extent and nature of the spill makes it a federal responsibility.

This is what my question is all about. I wanted to know the nature and extent of this pollution, what coordinating role the government has been playing and the element of expertise the Department of Transport has brought to bear on this problem.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to reply to the subject matter raised by the hon. member for Comox-Alberni (Mr. Barnett). I know of his keen interest in pollution problems, whether they be of a specific nature—as in the case of the small slick that came ashore near Tofino—or in a general way, and I recall his amendments to the recent government bill relating to the Canada Shipping Act. The hon. member has made his views known many times in this House and before the standing committee on transport. I hope I can clarify some of the questions tonight in the limited time that is available.

Only in recent years has the Canadian public become fully aware of the disastrous effect on the coastal environment when oil in considerable quantities comes ashore. The unfortunate *Arrow* accident has dramatized this fact. It also dramatized the tremendous expense in funds and manpower to effect a proper clean-up of properties and land. In the specific case of the oil traces which came ashore in the area known as Chesterman Beach, near Tofino, the amount involved was very small. The origin of the oil is unknown. It could have come from any number of ships using the Pacific waters or, indeed, even from a shore installation or other sources. The clean-up was undertaken by a group of school students who completed the job in a very short time.

As a straight matter of responsibility to act in such circumstances, there is no hard and fast rule. Canada has thousands of miles of coastline and it would be impossible, even if it were deemed desirable, to assume responsibility for every trace of oil that came ashore. As in the case at Tofino, where the incident cannot be said to be beyond the resources of local authorities or private interests, it is customary and it has been the practice for clean-up to be undertaken at the local level. In the case of Chedabucto Bay, which was referred to, the federal government assumed responsibility to deal with this incident, and it would no doubt do so again in a case of such catastrophic proportions.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, March 10, 1971

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MAZOWSZE FOLK DANCE AND SONG ENSEMBLE

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, with the consent of the House I rise to bring to your attention the presence in the ladies' gallery of ambassadors of Polish culture, the Mazowsze Folk Dance and Song Ensemble, who are visiting us in our national capital today.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. LAMBERT (EDMONTON WEST)—STATEMENT BY MINISTER OF FINANCE ON WHITE PAPER ON TAX REFORM AS BASIS FOR LEGISLATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, pursuant to Standing Order 17(2) I gave you notice of my request to raise a question of privilege at the opening of today's proceedings arising out of a statement attributed to the Minister of Finance (Mr. Benson) at a meeting last night of the Kingston Junior Chamber of Commerce. The minister is reported to have said:

—and I've been asked by people "when are you going to legislate the white paper on taxation" and the simple answer to that is never.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Apparently there was loud cheering and clapping at that meeting. My question of privilege is that the minister has made a statement of policy of the greatest importance outside the House, which is not subject to direct comment, on a matter on which he has rejected giving forthright answers in the House and, because of the equivocal nature of the statement, has created further confusion and doubt in the House and in the country on the subject of proposed tax reform.

I therefore move, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That a transcript of all of the remarks of the Minister of Finance to the Kingston Junior Chamber of Commerce on Tuesday, March 9, 1971, be referred to the Standing Committee on Finance, Trade and Economic Affairs, and that the Minister of Finance be invited to appear before the said committee to explain his remarks concerning the implementation or rejection of the white paper on tax changes, and to indicate clearly both the timing and the method to be used for any tax changes so as to remove the doubt and confusion now existing in Canada about the government's tax policy, which contribute in large measure to the present economic recession in the country.

• (2:10 p.m.)

[*Translation*]

Mr. Speaker: The hon. member for Edmonton West (Mr. Lambert) has given notice to the Chair of his intention to rise on a question of privilege in the sense that he has just indicated.

The hon. member knows that the Chair must determine whether there is a prima facie case of privilege. After having considered the situation as carefully as possible, I must conclude that the circumstances are not such that the Chair could ask the House to consider the motion of the hon. member for Edmonton West.

[*English*]

Hon. members know that on many occasions in the past it has been suggested that it was tantamount to a breach of the privileges of the House when a ministerial statement of policy is made outside the House. I suggest to hon. members that this is a practice which has been adopted over a long period of years. Although hon. members may feel that this gives rise to a grievance, and thus some hon. members might be dissatisfied with such procedure and they may want to suggest that such statements should more properly be made in the House rather than outside. With respect, I suggest to the hon. member for Edmonton West that it cannot be judged that there is a prima facie case of privilege. In the circumstances I cannot put to the House the motion proposed by the hon. member for Edmonton West.

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (C), 1970-71

REFERENCE TO STANDING COMMITTEES—RULING ON POINT OF ORDER

Mr. Speaker: Perhaps at this point I might refer to the motion offered by the President of the Privy Council on Monday and indicate the conclusion I have reached after giving the matter much thought.

On Monday last, when the President of the Privy Council offered a motion under the provisions of Standing Order 59 to send supplementary estimates to certain standing committees, the hon. member for Winnipeg

North Centre raised a point of order regarding the propriety or, if one wishes, the legality of considering supplementary estimates which are in effect amendments to existing statutes. The hon. member for Edmonton West argued along the same lines. In support of the motion, the President of the Treasury Board claimed that his proposal was amply supported by precedents. He referred to certain guidelines which he suggested should be looked at by the government when proposing such items and that the proposals were entirely within those guidelines.

The minister is right, of course, when he suggests that the introduction and passage of statutory items in supplementary estimates is not an innovation in this House. This is a practice which goes back many years. At the same time, it has never been accepted readily by the House. Our debates record many instances when members have taken exception to the practice. The hon. member for Winnipeg North Centre himself is not a neophyte in this regard. For example, on March 31, 1952—if he does not mind my going back so far—as reported at page 969 of *Hansard* of that day he voiced strong objection to an item in the estimates which, he contended, would circumvent section 3 of the Atomic Energy Control Act. Another example of such objection is a statement by the then hon. member for Digby-Annapolis-Kings, who stated in part as follows:

> You have statutes; you may repeal them; you may amend them; but you cannot do it by supply bills.

Another random selection was picked from page 3,368 of *Hansard* for March 27, 1961, where the then hon. member for Kenora-Rainy River went on record to oppose this practice and called as his witness the then absent hon. member for Winnipeg North Centre. Again, on April 1, 1964, as reported at page 1,680 of *Hansard*, a similar discussion arose.

There are countless other instances which indicate that statutory dollar items have been used in the past but that this practice has not gone unchallenged.

In the situation now before us, the hon. members for Winnipeg North Centre and Edmonton West have distinguished so-called statutory items from those which merely propose a transfer of funds. The members take exception to both types of one-dollar items, but the thrust of their objection is against specific items which they suggest are clearly legislative in intent.

In support of their argument the hon. members suggest that the procedural situation has been radically changed by the adoption of the new rules in December of 1968. They urge that in view of the new supply procedures introduced by these rules, statutory dollar items should not be included in supplementary estimates. The hon. member for Winnipeg North Centre contends that past practice should not be used as a guide in relation to the present machinery for the consideration of estimates. He suggests that when the House eliminated the committee of supply a new situation was created because it was in committee of supply that formal objection had been taken in the past to these one-dollar statutory items.

[Mr. Speaker.]

Those members suggest that there is now no real opportunity for the consideration of such items by the House itself. That, of course, is not entirely correct since the new Standing Orders do provide for such an opportunity, albeit restricted, under the terms of Standing Order 58. Clearly the Standing Orders do provide the machinery for the consideration by the House itself of specific items in the estimates to which the opposition might take exception. However, this opportunity is undoubtedly limited and depends very much on the number of allotted supply days which might still be available by virtue of Standing Order 58. In other words, under the old rules there was unlimited time to consider supplementary estimates, including items intended to amend statutes. Under the new rules there may be only a limited time to consider supplementary estimates.

Is the difference between the two situations so substantial that the past practice of allowing statutory dollar items in the supplementary estimates should now be disallowed? Should the very limited time allotted by Standing Order 58 be restricted to the consideration of what is strictly supply? There is much to be said to support an affirmative answer to these questions.

The argument proposed by the hon. members for Edmonton West and Winnipeg North Centre is cogent. They contend that any rulings that may have been made in the past about dollar items prior to the changes of the rules do not now apply. They suggest that the rules changes were effected to remove the consideration of detailed estimates from the floor of the House but that no decision was ever made that a motion which is tantamount to a legislative enactment should be removed from the floor of the House. They urge that the items which have a legislative effect should not be allowed to be proceeded with by way of items in the supplementary estimates but should be introduced in the usual way, as is done for all other legislation, by way of a bill.

Let us, if you will, examine the items singled out by the hon. members. The first one is vote 35c. It proposes to amend the Pension Act and the Civilian War Pensions and Allowances Act. The vote proposes to repeal schedules A and B of the Pension Act and substitute therefor new schedules A and B as found in vote 35c. At the same time, it seeks to amend section 38(2) and section 38(4) of the Pension Act. Second, vote 35c proposes to repeal the existing schedules in the Civilian War Pensions and Allowances Act and substitute a schedule set out under the vote, in effect amending two sections of the Civilian War Pensions and Allowances Act.

Schedules A and B of the Pension Act were previously amended by statute, other than an Appropriation Act, in the years 1953-54, 1957-58, 1960-61. Schedule B was amended in 1966-67. None of these amendments was enacted by way of an appropriation measure. Item 10c, affecting the War Veterans Allowance Act, purports to repeal Schedule A of that act and substitute a new Schedule A in this vote. It refers to Schedule A of the War Veterans Allowance Act which was amended in 1957-58, 1960-61 and in 1965 by statutes other than an

Appropriation Act. In other words, this is the first instance where amendments to the Acts in question are proposed by way of statutory dollar items in the supplementary estimates rather than by the normal process of separate legislation.

• (2:20 p.m.)

These three items in votes 35C and 10C are clearly and unquestionably legislative in intent. There can be no suggestion that there is an attempt to dissimulate the purpose. This is clearly identified by the language of the items themselves.

The fourth item dealing with the Established Programs (Interim Arrangements) Act is not as clear to me. I have spent considerable time attempting to ascertain the exact purpose of the item, and although there is strong evidence that the item might well be procedurally defective on the same basis as the items dealing with veterans legislation, the very complexity of the matter which has been alluded to by the hon. member for Edmonton West leads me to give the minister the benefit of the doubt in respect of item 7c. However, in relation to items 35c and 10c I must come to the inevitable conclusion that, in view of the situation created by the new rules, these items are not before the House in proper form.

It should be stressed that we are dealing now with an entirely new situation and with an entirely new set of circumstances. If it could be said that since the adoption of the amended Standing Orders in 1968 the House had already accepted as part of a continuing practice the consideration of dollar items intended to amend statutes, then the argument might be made that the procedure proposed in respect of these specific items conforms with a new practice and is supported by precedent. But that is not the case.

Since the adoption of the new rules, it seems there has been only one item with direct and specific legislative import that has been included in supplementary estimates. This particular item, included in the estimates for the year 1970-71, was allowed to go unchallenged and no point of order was raised in respect thereto. Thus, no practice has yet been established except perhaps that particular items proposing to amend directly and specifically a statute, have not been included in supplementary estimates since the rules were changed in 1968 but for the lone exception just mentioned. The House therefore has not had the opportunity at this point to reaffirm the proposition that such proposals, when they are clearly intended to amend existing legislation, should come to the House by way of an amending bill rather than as an item in the supplementary estimates.

I am not unaware of the possible delay in the adoption of the veterans legislation covered by items 35c and 10c by having the proposed amendments introduced by way of a bill. However, there is a long established practice in the House that veterans legislation is dealt with expeditiously on a non-partisan basis and it may well be that the House Leaders will want to agree to a timetable which will prevent any delay in the adoption of such important measures. I would therefore suggest to the President of the Privy Council that his motion, amended to take into account this ruling, would be put in the following terms:

That the Supplementary Estimates (C) tabled in the House on March 4, 1971, with the exception of those items relating to Veterans Affairs, be referred to the Standing Committee on Miscellaneous Estimates, and that Veterans Affairs items 15c, 40c, 45c and 50c be referred to the Standing Committee on Veterans Affairs.

I make this suggestion at this time to the President of the Privy Council. I hope he will find it possible to allow the Chair to put the motion in the terms I have just suggested.

Mr. MacEachen: Agreed.

Mr. Speaker: Hon. members have heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

OIL

NORTHERN PIPELINE CONSTRUCTION POLICY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I ask leave to make a motion under Standing Order 43 under the following circumstances. Recently, two members of the government have made major speeches and statements with regard to the question of the development of oil pipelines in Canada, the northern part of Canada in particular, which convey entirely opposite points of view. In order to set at rest the uncertainty and concern which these opposing statements have created and to find out what policy, if any, the government has, I ask leave to make the following motion:

That the Minister of Indian Affairs and Northern Development and the Minister of Energy, Mines and Resources be asked to appear together at the earliest possible date before a joint meeting of the Committee on Indian Affairs and Northern Development and the Special Committee on Environmental Pollution.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Peace River. Under the terms of Standing Order 43 the unanimous consent of the House is required before it can be put. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity and the motion cannot be presented.

Fisheries

FISHERIES

OPERATION OF FOREIGN SHIPS WITHIN 12-MILE LIMIT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask leave of the House to make a motion under Standing Order 43. I do so for the following reasons. I ask the unanimous consent of the House for my motion to be considered because of the repeated violations of Canadian territorial waters by foreign ships operating off Newfoundland and especially because of the difficulty in enforcing the 12-mile limit which has recently been proclaimed by the government of Canada. I feel that these foreign vessels, operating at will, are flouting Canadian regulations. Among other things, the situation requires, in my view, a sustained military presence in Newfoundland not only to protect Canadian sovereignty in this regard but to protect the rights of Canadian fishermen. I would therefore ask unanimous consent to move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the House refer the question of naval and air surveillance of foreign fishing vessels operating in zones adjacent to the Canadian coast to the Standing Committee on External Affairs and National Defence.

That the committee explore the question of repeated intrusions into Canadian territorial waters by foreign trawlers and draggers and that the committee further explore possible methods of detecting and preventing such intrusions by the use of air and naval components of the Canadian Armed Forces.

That the committee give consideration to the possible stationing of operational maritime command aircraft in Newfoundland.

Mr. Speaker, I hope this motion will receive the unanimous consent of the House.

Mr. Speaker: Hon. members know that the motion proposed by the hon. member for St. John's East requires the unanimous consent of the House before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not and the motion cannot be put.

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

PROVISIONS RESPECTING INSURABLE EMPLOYMENT, COMMISSION, BENEFITS, PREMIUMS, ADMINISTRATION, ETC.

Hon. Bryce Mackasey (Minister of Labour) moved for leave to introduce Bill C-229, respecting unemployment insurance in Canada.

Motion agreed to, bill read the first time and ordered to be printed.

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

BANFF NATIONAL PARK—COST OF POLICE SERVICE

Question No. 355—**Mr. Sulatycky:**

1. What was the cost of providing police service in Banff National Park during the past two fiscal years?

2. What department bears financial responsibility for provision of police services in Banff National Park?

Hon. Jean-Pierre Goyer (Solicitor General): Reply by the Department of the Solicitor General in so far as it relates to policing services provided by the Royal Canadian Mounted Police, is as follows: 1. Costs for the 1968/69 fiscal year are not readily available as the Royal Canadian Mounted Police system of unit financial code statements was not implemented to the extent required to provide this information prior to the fiscal year 1969/70. Costs for the 1969/70 fiscal year were $216,559.

2. The Federal Government bears financial responsibility, but the Province of Alberta reimburses the Federal Government on a cost-sharing basis for the provision of policing services in Banff National Park, the rate of reimbursement in the fiscal year 1969/70 being 44 per cent.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—MAN-HOURS SAVED AS A RESULT OF USE OF COMPUTERS

Question No. 514—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of National Health and Welfare during each year since computers have been used?

Hon. John C. Munro (Minister of National Health and Welfare): Departmental records are not maintained in a manner to reply to this question. A complete reply to this question would be too costly and the Department of National Health and Welfare does not have the staff nor the funds to undertake such a project.

CREDIT CARD REGULATIONS

Question No. 762—**Mr. Anderson:**

Does the Department of Consumer and Corporate Affairs have any regulations requiring companies making use of credit cards to inform consumers of the increased cost of goods required to cover the charges of credit card agencies and, if not, is the Department planning to enact such regulations?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No. The Department is however examining the provisions of the Interest Act and Small Loans Act with a view to general revision.

TOTAL FREIGHT TONNAGE IN HARBOURS, 1970

Question No. 767—**Mr. Blouin:**

What was the total handling of freight, in tons, during the year 1970 in the harbours of (a) Montreal (b) Vancouver

(c) Halifax (d) Saint John (N.B.) (e) Quebec City (f) Rimouski (g) Baie Comeau (h) Port Cartier (i) Sept-Iles including Pointe-Noire?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: (a) 25,047,299 tons; (b) 27,158,913 tons; (c) 11,577,000 tons; (d) 6,359,144 tons; (e) 8,859,884 tons.

The Department of Transport advises as follows: (f) 485,605 tons; (g) 7,655,653 tons; (h) 15,999,987 tons; (i) 29,879,978 tons.

FEDERAL ASSISTANCE IN DEVELOPMENT OF MONT SAINTE-ANNE, QUEBEC

Question No. 784—**Mr. Crossman:**

Has the government taken part financially in the development of Mont Sainte-Anne, Quebec and, if so (a) was this participation direct or was it granted following a request from the province (b) under what program or agreement was the financial participation of the government made possible (c) what was the total contribution of the government to the total program, and on what dates were the payments made?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed as follows: Yes; the Department of Regional Economic Expansion. (a) following a request from the province; (b) under ARDA and under the Canada-Quebec Special Areas agreement; (c) under ARDA, contributions totalling $322,302.42 paid in February 1965 and January 1966; under the Special Areas agreement, $540,272.60 in contributions and $758,672.60 in loans, paid in November 1970 and January 1971. Commitments to further work are approximately $1.16 million in contributions and $5.7 million in loans.

ESTABLISHMENT OF SNOWMOBILE NOISE STANDARDS

Question No. 802—**Mr. Hales:**

1. On what date does the government intend to introduce noise standards for snowmobiles, as mentioned on January 19, 1971, at page 2538 of *Hansard*?

2. What department(s) are involved in the drafting of these regulations, and what branch(es) within these departments?

3. Are any outside consultations or research being undertaken before drafting the regulations and, if so, with whom?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The safety standards for snowmobiles were published in the Canada Gazette, Part II, on November 25, 1970, and the effective dates were given in the Canada Gazette of January 13, 1971. These effective dates are April 1, 1971, for snowmobiles to be fitted with mufflers and February 1, 1972, to prescribe a maximum noise level of 82 dbA for snowmobiles.

2. The Motor Vehicle Safety Regulations were drafted by the Road and Motor Vehicle Traffic Safety Branch with the assistance of the Department of Justice.

3. We had the benefit of research by Hovey & Associates carrying out a detailed examination of the safe design of snowmobiles under research contract.

Questions

*NUMBER OF PASSENGER TRAINS AND DAYLINERS SERVING METROPOLITAN TORONTO AND MONTREAL DAILY

Question No. 907—**Mr. Ryan:**

1. How many passenger trains and dayliners serve the Metropolitan Toronto area commuters each day and over how many lines?

2. How many passenger trains and dayliners serve the Metropolitan Montreal area commuters each day and over how many lines?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Inbound, 24 trains on 6 lines; outbound, 24 trains on 6 lines.

2. Inbound, 24 trains on 5 lines; Outbound, 22 trains on 5 lines.

[*English*]

DEPARTMENT OF SOLICITOR GENERAL—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 927—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of the Solicitor General is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Hon. Jean-Pierre Goyer (Solicitor General): By the Department of the Solicitor General in so far as it relates to the R.C.M. Police is as follows: (a) 34 per cent; (b) nil; (c) 66 per cent; (d) nil; (e) nil; (f) nil.

The question is not applicable to other agencies within the Department of the Solicitor General.

*TORONTO AIRPORT—LANDING RIGHTS FOR INTERNATIONAL FLIGHTS

Question No. 951—**Mr. Haidasz:**

1. Does the government refuse landing rights at the Toronto Airport for international flights of KLM, Lufthansa, Alitalia, and other carriers and, if so, for what reason?

2. Are international flights of KLM, Lufthansa, Alitalia and others destined for Toronto required to land in Dorval and, if so, for what reason?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as the answer to that question is rather lengthy, I would ask the consent of the House to have it considered as read and recorded in *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The abovementioned answer reads as follows:*]

1. KLM, Lufthansa and Alitalia, and other air carriers (except BOAC) operating trans-Atlantic scheduled air services are not authorized to exercise traffic rights at Toronto in the operations of their scheduled air services.

Bilateral air agreements between Canadian and European countries do not provide for landing rights at Toronto for their designated air carriers. BOAC exercises traffic rights at Toronto because the Canada-UK bilateral air agreement provides for such rights.

2. International flights of KLM, Lufthansa and Alitalia are not destined for Toronto (see reply to 1 above), and must terminate at Dorval. Such air carriers as are authorized to exercise traffic rights at Toronto are not required to land at Dorval.

[*English*]

DEPARTMENT OF FISHERIES AND FORESTRY—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 959—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Fisheries and Forestry is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): (a) and (b) 45.8; (c) nil; (d) nil; (e) 54.2; (f) covered by (a) and (b).

DEPARTMENT OF FINANCE—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 970—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Finance is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Hon. E. J. Benson (Minister of Finance): The supplementary estimates of the Department of Finance for the fiscal year 1970-71 to February 16, 1971 are shown in full detail on pages 22 to 25 of Supplementary Estimates (A) tabled on November 17, 1970 and on pages 4 and 5 of Supplementary Estimates (B) tabled on December 4, 1970.

NEW BRUNSWICK MULTIPLEX CORPORATION

Question No. 971—**Mr. Burton:**

1. Is it the intention of the Department of Regional Economic Expansion and the Government of New Brunswick to turn New Brunswick Multiplex Corporation into an operating company?

2. Is the Corporation incorporated as a private company?

3. What are the biographical details of the directors that have been named?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. This will depend on whether a feasible program for implementing the complex is put forward and agreed by the two governments.

2. No.

3. E. G. Allen, Deputy Minister of Municipal Affairs, New Brunswick, since 1956. Previously an official of the New Brunswick Department of Industry and Development and a school principal. T. Kent, Deputy Minister of Regional Economic Expansion since 1969. Before entering public service, a business executive and previously a newspaper editor. M. W. Mackenzie, director of several companies and chairman of the Canada-New Brunswick Growth Centre Committee. Previously Chairman of Chemcell Limited, Deputy Minister of Trade and Commerce, Deputy Chairman of Wartime Prices and Trade Board. W. Y. Smith, Professor of Economics, University of New Brunswick, Chairman of Atlantic Development Council, member of Economic Council of Canada. Former economic adviser to Government of New Brunswick, President of Atlantic Provinces Economic Council, adviser on economic planning to Government of Nova Scotia. J. Teeter, Director, Eastern Region, Department of Regional Economic Expansion. Formerly Deputy Commissioner of Area Development Agency, 1963-69, and an official of the Department of Trade and Commerce and Defence Production, 1948-63. E. Thompson, engineer with New Brunswick Telephone Company since 1957 and Vice-President (Planning) since 1969. Currently on leave of absence to serve on Cabinet Secretariat, New Brunswick, R. E. Tweeddale, Deputy Minister of Economic Growth, New Brunswick, since 1967. General Manager of New Brunswick Electrical Power Commission, 1958-67. Previously an engineer with Power Commission and Department of Public Works.

INCOME DERIVED FROM COMPUTER SERVICES

Question No. 978—**Mr. Robinson:**

What income, if any, is derived from the computer services provided by the Department of Finance (a) from other departments (b) from sale or services to industry (c) to provincial government departments (d) to municipalities?

Hon. E. J. Benson (Minister of Finance): The Department of Finance does not provide any of the computer services described in this question.

REGIONAL DEVELOPMENT INCENTIVES ACT—CREATION OF NEW JOBS

Question No. 990—**Mr. McGrath:**

From the commencement of the Regional Development Incentives Act (a) by province, how many "net" new jobs have been created in Canada (b) how many jobs under the Act were created in special areas as compared to designated areas (i) the totals for Canada (ii) the provincial sub-totals (c) what was the total amount of grants paid under this Act (i) for Canada (ii) for each province (d) what was the total amount of grants paid in special areas compared to designated areas (i) the totals for Canada (ii) the provincial totals (e) what is the actual average dollar cost per job created in (i) Canada (ii) each province (f) what is the actual dollar cost per job created in special areas compared to designated areas with the totals (i) for Canada (ii) for each province?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): For accepted offers to January 31, 1971: (a) Newfoundland 514; Prince Edward Island 335; Nova Scotia 1,397; New Brunswick 2,371; Quebec 9,440; Ontario 1,698; Manitoba 1,801; Saskatchewan 870; Alberta 1,438; British Columbia 169; Canada 20,033. (b) For special areas outside design-

ated regions, (i) 1,354, of which (ii) 218 in Ontario, 528 in Saskatchewan and 608 in Alberta. (c) Preliminary payments total (i) $4,345,609 of which (ii) Nova Scotia $491,710; New Brunswick $462,601; Quebec $1,927,385; Ontario $438,792; Manitoba $728,762; Alberta $104,791; British Columbia $191,568. (d) No payments yet made in special areas outside designated regions. (e) Estimated full dollar cost per job will be (i) $6,153; (ii) by province, Newfoundland $1,615; Prince Edward Island $3,316; Nova Scotia $14,652; New Brunswick $6,794; Quebec $4,772; Ontario $7,366; Manitoba $3,070; Saskatchewan $4,626; Alberta $11,923; British Columbia $2,816. (f) For special areas outside designated regions (i) $12,752; (ii) by province, Ontario $4,932; Saskatchewan $5,046; Alberta $22,248.

PUBLIC WORKS—LIGHTING IMPROVEMENTS TO FEDERAL BUILDING, WHITEHORSE, Y.T.

Question No. 1,015—**Mr. Nielsen:**

1. What was the name of the contractor awarded the contract to provide lighting improvements to the federal building in Whitehorse?

2. What was the amount of the contractor's bid?

3. Has the contract been completed and what was the total price paid to the contractor for the work?

Hon. Arthur Laing (Minister of Public Works): 1. S. Montgomery Contractors Ltd.

2. $123,412.

3. No. Payments to date total $113,416.

PUBLIC WORKS—REPAIRS TO WHARF AT BERTHIER-EN-BAS

Question No. 1,022—**Mr. Lambert (Bellechasse):**

1. What was the nature of the repairs made to the wharf at Berthier-en-Bas in 1970?

2. Were the repairs made under contract and, if so (a) who were the tenderers (b) what is the name of the contractor?

3. If the repairs were made by the Department of Public Works (a) who was the foreman (b) what was the cost of the materials and where were they bought (c) what was the cost of labour and how many people were employed?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Repairs to cribwork on west side of main wharf on a length of 120 feet, width 12 feet, depth 11 feet.

2. Yes, (a) Albert Côté, J. P. A. Normand Inc., Arthur Simoneau, Fonderie de Lauzon Ltée. (b) The low tenderer, Albert Côté was awarded the contract.

3. Not applicable.

[*English*]

AGRICULTURE—STORAGE OF POWDERED MILK AND CHEESE

Question No. 1,024—**Mr. Lambert (Bellechasse):**

As of February 8, 1971, what were the quantities of powdered milk and cheddar cheese in storage?

Hon. H. A. Olson (Minister of Agriculture): On February 1, 1971 the quantities of skim milk powder in storage were 73,921,000 pounds; cheddar cheese 56,952,000 pounds. *Note:* Figures for the specific date, February 8, 1971, are not available.

FARM CREDIT CORPORATION—REPAYMENT OF LONG-TERM MORTGAGE LOANS

Question No. 1,030—**Mr. Yewchuk:**

1. How many farmers in Ontario and Alberta were unable to repay their long-term mortgage loans to the Farm Credit Corporation for the years 1961 to 1969?

2. How many of these farms were re-sold by the Farm Credit Corporation during the same period?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises as follows: 1. The number of loans where legal proceedings due to default resulted in the acquisition of title to the security in Ontario* and Alberta by fiscal year is:

	Ontario	Alberta
1961-62	3	2
1962-63	1	2
1963-64	—	—
1964-65	2	—
1965-66	3	—
1966-67	4	—
1967-68	5	—
1968-69	2	—
1969-70	3	3

2. The number of such securities sold is:

	Ontario	Alberta
1961-62	4	2
1962-63	1	2
1963-64	—	—
1964-65	2	—
1965-66	3	—
1966-67	3	1
1967-68	6	—
1968-69	2	—
1969-70	2	1

*In Ontario the Corporation's mortgages are enforced by exercising the power of sale contained in the mortgage and not by foreclosure action. Under this procedure legal title to the farm is not acquired. In order to provide comparative data for the purpose of these questions, sales under power of sale in Ontario are treated as acquisitions.

* * *

QUESTION PASSED AS ORDER FOR RETURN

INTEREST FREE LOANS TO FOREIGN COUNTRIES

Question No. 749—**Mr. Caouette:**

1. Are interest-free loans made by the federal government to foreign countries and, if so, for what purpose?

2. What is the policy of the government concerning such loans?

3. What loans of this nature has the government made in the past (a) 15 years (b) 10 years (c) 5 years?

4. Of each such loan, what proportion has been recovered by the government either through the purchase of Canadian products, or through direct repayment?

5. Were non-recoverable loans made by the government during the same periods and, if so (a) how many (b) to what countries (c) on what dates (d) for what amounts.

Return tabled.

• (2:30 p.m.)

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notices of Motions Nos. 138 and 169 are acceptable to the government.

STUDY OF URBAN PROBLEMS BY PROFESSOR HARVEY LITHWICK

Motion No. 138—**Mr. Gilbert:**

That an Order of the House do issue for a copy of the study of urban problems in Canada undertaken by Professor Harvey Lithwick for the Minister without Portfolio responsible for housing and urban affairs.

Motion agreed to.

COPY OF STUDY ON HOUSING POLICY OR URBAN PROBLEMS

Motion No. 169—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study on Housing Policy or Urban Problems conducted on behalf of the Minister without Portfolio in charge of Housing and/or any studies prepared dealing with individual phases of the problems of Housing or Urban Problems prepared during the aforementioned study?

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call Notice of Motion No. 143.

COPIES OF CORRESPONDENCE REGARDING THE CAR REPAIR BUSINESS

Motion No. 143—**Mr. Mather:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the Minister of Consumer and Corporate Affairs and provincial governments in 1970 regarding the car repair business.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, correspondence has been exchanged between officials of my department and provincial government departments on the understanding that this exchange of views was to be treated on a confidential basis. For this reason it would not be appropriate to table the correspondence.

Mr. Mather: Mr. Speaker, since I am so glad to hear that the government is finally doing something about the car repair business I will withdraw the motion temporarily.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

ORAL QUESTION PERIOD

INCOME TAX

STATEMENT BY MINISTER OF FINANCE ON WHITE PAPER ON REFORM AS BASIS FOR LEGISLATION—NEW PROPOSALS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who I am happy to see has not disappeared as his white paper has. Now that the minister has announced the scrapping of the white paper on tax reform as a basis for tax legislation, to the hooting and cheering of a large crowd, is he going to make a statement at an early date as to the contents of a new tax reform package?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, over a hundred times at least, I would think, during the last year, including many times in the House, I have indicated that we produced a white paper on tax reform, a discussion document.

Mr. Baldwin: You mean a monster.

Mr. Benson: I tried to persuade my hon. friends that this is what we produced, that we would listen to submissions. We have received a great many useful submissions from across the country, from business institutions and from the provinces. We had reports from the Senate and House of Commons committees. The only quarter from which we have not had useful suggestions is from the opposition.

Some hon. Members: Hear, hear!

Mr. Benson: Now my hon. friend has been running around the country shooting at windmills.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, perhaps the minister was simply looking for applause. I should like to ask the minister, now that he has stated that the white paper will not be the basis for his tax proposals, whether the tax measures that will be put forward will be as compre-

hensive in scope as those in the white paper, or may we expect tax legislation that is much narrower in scope?

Mr. Benson: First of all, Mr. Speaker, I did not say what my friend indicated at all. I would be glad to send him a transcript of what I did say. I have also been sending him copies of my speeches over past years, which I trust he has read. I indicated following my statement last night that we would have comprehensive tax reform and that it would be introduced—

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, now that the Minister of Finance has made his white paper disappear, does he intend to follow it?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

WHITE PAPER ON REFORM—ASSESSMENT OF VIEWS OF PEOPLE

Mr. Max Saltsman (Waterloo): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the unrepresentative nature of the submissions that were made to the Standing Committee on Finance, Trade and Economic Affairs regarding the white paper, most of them having come from business and organized industry, can the minister say to what extent he has assessed the views of ordinary people in Canada in terms of reaching a decision on the white paper?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, during the past 18 months or so I have spoken to a great many ordinary people in Canada, unlike the Leader of the Opposition. I am also taking into consideration their views, not just the interests of Bay Street as represented by hon. gentlemen opposite.

Some hon. Members: Oh, oh!

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I say it is music to the gambler's ears to hear the suckers roar. I address my supplementary to the Prime Minister. In view of the statement last night by the Minister of Finance that he does not intend to introduce his white paper on tax reform as legislation, may we expect in the future that the government will accept the opposition's views and suggestions in other important fields as well?

Mr. Benson: Mr. Speaker, now that we also have the St. James Street view as well as the Bay Street view, I would simply like to say that in this whole exercise—

Mr. Hees: A point of order, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a point of order. The House is in a very cheerful mood today, but perhaps we should be allowed to go on to another subject in a moment after we have heard the hon. member's point of order.

Mr. Hees: Mr. Speaker, my point of order is that my supplementary question was addressed to the Prime Minister, and I am not aware that the Minister of Finance has assumed that portfolio yet.

Mr. Bell: We want Gordon back.

* * *

ENERGY

POSSIBLE MACKENZIE VALLEY PIPELINE—STATEMENT RESPECTING PROVISION OF RIGHT OF WAY—DEVELOPMENT BY FOREIGN CAPITAL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister arising out of the speech made yesterday by the Minister of Indian Affairs and Northern Development in Dallas, Texas. In his speech the minister stated that if it was desirable to build a pipeline from Prudhoe Bay through Canada to the United States the right of way through Canada would be made available. In view of the fact that twice within the last few weeks ministers of the Crown have offered this route, I want to ask the Prime Minister whether the Canadian government is now indicating its willingness to provide a right of way through Canada despite the fact that, according to the minister's own statement in the House, studies of the ecological effects of such a route have not yet been completed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Monsieur le Président—

Mr. Speaker: Order, please. Hon. members know the rule about statements made outside the House. The hon. member quite properly asked the question of the Prime Minister, and perhaps in the first instance, at least, a reply might be made by the Prime Minister. If questions are asked directly about the matter, these could be addressed to the minister thereafter.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not had the benefit of reading the speech which the minister made—

Mr. Hees: Take my advice; don't bother.

Mr. Trudeau: —and I would hesitate to comment on it on the basis of the no doubt very brief, if not distorted, summary by the leader of the New Democratic Party. Therefore I cannot comment on the speech. That is why I suggest that perhaps the minister might be given the opportunity of saying that what he was quoted as having said was not so.

Mr. Douglas: I have a supplementary question, and this is no more distorted than my previous statement.

Some hon. Members: Oh, oh!

Mr. Douglas: It was an actual quotation from a transcript of the minister's speech which I have in my hand.

Some hon. Members: Hear, hear!

Mr. Douglas: I should like to ask the Prime Minister about the second invitation which was extended by the Minister of Indian Affairs and Northern Development to United States oil companies to come into Canada and develop the Canadian north.

An hon. Member: And take over the country.

Mr. Douglas: Was the minister stating government policy, and is it the intention of the government to invite foreign capital to develop the Canadian north before the white paper on foreign ownership has been completed?

Mr. Trudeau: Mr. Speaker, it has always been the position of this government that a certain amount of foreign capital was needed to develop this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I know of no provincial government, not even the government of Manitoba, which takes a contrary position. As far as our general policies concerning foreign investment are concerned, of course we will make them known in due course. I do not think this is reason to suggest now that all foreign investment in Canada must be delayed.

Some hon. Members: Hear, hear!

POSSIBLE MACKENZIE VALLEY PIPELINE—ECOLOGICAL STUDIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a supplementary question to the Minister of Indian Affairs and Northern Development. Who is making the ecological study in the north in respect of the proposed oil pipeline which would be a hot line and a possible threat because of the permafrost? Is this study being made by his department or are any United States oil companies or the American government involved? Will this information be submitted to the National Energy Board before any decision is made by that body?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, if the hon. member had taken the trouble to read my statement of last week, he would have noted that I said that my department and others were studying this question. In my speech yesterday, in Denver, I told the Americans that they would be welcome to invest in Canada, and that if they built a pipeline, they would have to follow the directives that the Minister of Energy, Mines and Resources had conveyed to the House and that I repeated last August.

[*English*]

MACKENZIE VALLEY—POLICY RESPECTING CONSTRUCTION OF GAS PIPELINE

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development if his department or the government is now making a definite distinction between a gas pipeline and an oil pipeline, as implied in his speech? If this is the case, is the construction of a gas pipeline definitely government policy now?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I said in my speech that the government anticipated less trouble with a gas pipeline than with an oil pipeline. Of course, the building of a gas pipeline could be carried out faster. However, we are considering both prospects simultaneously.

[*English*]

Mr. Harkness: Mr. Speaker, has the minister or his department received a definite proposal in respect of a gas or oil pipeline for approval or rejection?

[*Translation*]

Mr. Chrétien: No, Mr. Speaker, neither the Minister of Energy, Mines and Resources nor myself have so far received any formal proposal from the industry.

[*English*]

USE OF FOREIGN CAPITAL TO DEVELOP NORTHERN RESOURCES—CLAUSE IN BILL C-187

Mr. Erik Nielsen (Yukon): I have a supplementary question for the minister, Mr. Speaker. In view of his invitation to participate, extended to foreign investment capital, in the development of oil, gas and other mineral resources in the north, is it now the government's expressed intention to remove the foreign ownership clause from Bill C-187 respecting minerals in the Yukon Territory?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is the privilege of a Liberal to be called a socialist by a Conservative, and a Conservative by a socialist.

[*English*]

POSSIBLE MACKENZIE VALLEY PIPELINE—EFFECT ON WILDLIFE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a supplementary question to the Minister of Indian Affairs and Northern Development. Apparently his wildlife officials have not yet completed their study of ecological problems. Have they indicated that in principle it is possible to build pipelines without disturbing the wildlife in that area of the north?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I said a moment ago that all questions concerning the construction of pipelines in the North are now under study, and that research has been conducted for more than two years in this field. We have much more information at this time than we had two years ago, including information concerning wildlife, but we are not yet in a position to make a final decision on this matter.

[*English*]

POSSIBLE MACKENZIE VALLEY PIPELINE—DEPARTMENTAL STUDIES

Mr. Eldon M. Woolliams (Calgary North): I should like to ask a supplementary question. The minister suggests that various departments are studying this matter. Will he at this time, or perhaps later on motions, make a statement indicating the evidence on which he bases his recommendations or his opinion of that evidence? Would he give us some indication of the type of personnel who provided the evidence on which he bases his opinion?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have been considering this problem for some time and, last August, the Minister of Energy, Mines and Resources and I set up the first category of restrictions on construction and we said repeatedly that final instructions would be issued, we hoped, in the course of the coming months.

[*English*]

Mr. Speaker: Order, please. I will recognize the hon. member for Yukon in just a moment. There are four or five members who are seeking the floor to ask supplementary questions on this matter. I suggest to hon. members there will have to be a limit to supplementary questions if we want to get on to another subject. Hon. members representing the group to my extreme left in the House have not had a chance to ask a question. We should move on to another subject as soon as possible. There are other members who I am informed have questions to ask during the question period.

USE OF FOREIGN CAPITAL TO DEVELOP NORTHERN RESOURCES—CLAUSE IN BILL C-187

Mr. Erik Nielsen (Yukon): Mr. Speaker, the minister must have misunderstood my previous question; it had no reference to his political alignment. My question was in relation to his remarks in Dallas inviting foreign investment capital to participate in the development of our northern resources. Is it now the intention of the government to withdraw the foreign ownership clause from Bill C-187?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, in my speech I said we were looking forward to foreign investment in Canada, but in compliance with regulations enacted here.

The bill referred to by my hon. friend contains the same restrictions as in the case of investment in the Northwest Territories and I cannot figure out why they would not apply to the Yukon to the same extent as they do to any other area in the Territories.

[*English*]

POSSIBLE MACKENZIE VALLEY PIPELINE—STUDY OF ECOLOGICAL EFFECTS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a supplementary question I should like to direct to the Prime Minister as it involves many departments. I refer to what the Acting Prime Minister said two days ago, and I quote from page 4040 of *Hansard* for March 8:

> At present, departments are studying very thoroughly the ecological threat that might occur as a consequence of pipelines running through Canada.

Would the government therefore state its position on the ecological aspect of this whole question?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position is that these aspects are being considered and studied very thoroughly by two, and perhaps three, departments. We cannot give the results until they are known. In addition to the two previously mentioned departments, the future department of the environment will be concerned in this matter and is already involved through the Department of Fisheries and Forestry. This is the government's position. It is very straightforward.

* * *

[*Translation*]

HEALTH

ALLEGED RECRUITING OF MEDICAL DOCTORS OUTSIDE CANADA

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Can he tell us whether the government intends to recruit doctors outside Canada? If so, is this attributable to a shortage of professors or to the small number of medical students?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): It would not be accurate to say that the department has a program of bringing doctors, or any particular class of people, to Canada. Of course, doctors are among those who seek admission to Canada and who are admitted in significant numbers over a period of years. This has been welcomed by many people, including the medical profession in this country, and one presumes that this kind of inflow will continue.

[*Translation*]

Mr. Laprise: Mr. Speaker, I should like to ask a supplementary question.

Would the minister say if there have been pressures by officials of the Department of Immigration in foreign countries to get doctors to come and settle in Canada?

[*English*]

Mr. Lang: Mr. Speaker, I know of no pressures whatever on us in this regard. It is a matter of our immigration policy. Doctors, because of the nature of their training and educational qualifications, do obtain points in our system under the regulations and, accordingly, if they are eligible to practice in this country are certainly apt to be admitted fairly readily. But I know of no other features in this situation.

[*Translation*]

Mr. André Fortin (Lotbinière): I want to put a supplementary question, Mr. Speaker.

Is the minister ready to state that no extraordinary or special measure has been taken abroad, outside current administration, in order to get doctors to come and practise in Canada?

[*English*]

Mr. Lang: It depends, I suppose, on what is called an ordinary or extraordinary measure. Over a period of time the department did indicate until some months ago particular occupations or professions where there seemed to be a shortage or demand in Canada, and did this in the form of advertisements. Certainly in the case of doctors advertisements of this sort were run in some countries as part of our regular policy in relation to occupations in short supply. I know of no additional special measures.

* * *

POST OFFICE

REFUSAL TO PERMIT USE OF WORDS, "THE HOME OF RAPE AND HONEY", AS CANCELLATION STAMP

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question dealing with a less serious matter to the Postmaster General. I wish to ask him whether, when he made the ruling that the town and area of Tisdale should not be able to have a cancellation stamp put on postage that reads "Tisdale, the home of rape and honey", he was aware of the fact that both of these products were mentioned in the diversification suggestions of the Minister of Agriculture and the minister who reports for the Wheat Board? Why does he deny that portion of Saskatchewan, indeed the whole province which has an international reputation for the production of these two products, the use of these words on the postage?

Hon. Jean-Pierre Côté (Minister Without Portfolio): I am lost, Mr. Speaker.

Mr. Diefenbaker: That is the most intelligent answer that this government has given, and I congratulate the minister. I now ask him whether he will find out the facts. Not knowing of the situation at all, which has been dealt with at length across this country, both on national television and in the newspapers, will he look into it now and reverse the asinine decision that was made?

Mr. Côté (Longueuil): What I will do, Mr. Speaker, is to read the question in *Hansard* tomorrow and try to give another intelligent answer.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF DIRECTOR OF THÉÂTRE DU RIDEAU VERT

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, as my question has already been put, may I call the attention of hon. members to the presence, in the Speaker's Gallery, of the founder-director of the Théâtre du Rideau Vert of Montreal.

* * *

[*English*]

HISTORIC SITES

LOWER FORT GARRY—DISCONTINUANCE OF MILITARY CEREMONY

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Minister of Indian Affairs and Northern Development. Has the government discontinued the military ceremony which has been the main animated feature at the Lower Fort Garry historic site, and does this mean that the policy of historic animation has been abandoned for all national historic sites?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not aware of the details of this question. I shall inquire about it and be happy to give the hon. member an answer tomorrow or Friday.

[*English*]

Mr. Dinsdale: In view of the fact that students are involved in this program and there is a shortage of summer employment for students, would the minister, while he is looking into the matter, consider stepping up the program of animation?

* * *

UNEMPLOYMENT INSURANCE

REQUEST THAT BILL NOT BE PROCEEDED WITH UNTIL MEASURE CONCERNING PHASING OUT OF FISHERMEN INTRODUCED

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question arising out of the fact that earlier today we gave first reading to a bill having to do with the Unemployment Insurance Act. I direct my question either to the Minister of Labour or to the Minister of Fisheries and Forestry, whichever minister wants to reply. Can we have an assurance, in view of the announced intention of the government to phase out fishermen from coverage under the Unemployment Insurance Act, that the details of that proposal, either in the form of a bill or whatever is appropriate, will be placed before the House before we give consideration to the second reading of the bill respecting the Unemployment Insurance Act?

Hon. Jack Davis (Minister of Fisheries and Forestry): Certainly before changes are made a bill will be submitted to the House for consideration by Parliament.

Mr. Barnett: I wish to direct my supplementary question to the President of the Privy Council in his capacity as House leader. Would the House leader on the government side undertake to schedule the business of the

House so that information with respect to what is being proposed to replace unemployment insurance for fishermen will be placed before us for consideration in order that we may intelligently understand what approach we should take with respect to the proposed new Unemployment Insurance Act?

Hon. Allan J. MacEachen (President of the Privy Council): When I have a bill I will be glad to schedule it in the best way possible.

* * *

FINANCE

STABILIZATION OF DOLLAR TO KEEP EXPORTS COMPETITIVE

Mr. Gordon Ritchie (Dauphin): I have a question for the Minister of Finance. In view of the rise of the Canadian dollar to near parity with and above the United States dollar, which with the inflationary factor of 3 per cent last year makes the price of our exports to our customers about 10 per cent higher than a year ago, has the government any plans to stabilize the dollar at a price that will allow our exports to remain competitive?

Hon. E. J. Benson (Minister of Finance): If my hon. friend will look, he will find that inflation in our main exporting market, the United States, was almost double that in Canada. With respect to the Canadian dollar, it is continuing very strong.

* * *

BROADCASTING

FAILURE OF NEGOTIATIONS BETWEEN BUSHNELL BROADCASTING AND MARCONI COMPANY—GOVERNMENT INTERVENTION

Mr. Jean-R. Roy (Timmins): My question is directed to the Secretary of State or to his parliamentary secretary. Following the unfortunate difficulties between Bushnell Broadcasting and the Marconi Company, and because of the approaching deadline for negotiations, would the minister consult with the interested parties and determine if some government intervention might assist in resolving the impasse and thereby favour Canadian ownership as well as the public purse?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): If I am not mistaken, Bushnell's option has expired, so I am not sure what sort of intervention the hon. member is considering. However, I might meet him afterward and hear what suggestions he may have.

* * *

EXTERNAL AFFAIRS

EAST PAKISTAN UNREST—EVACUATION OF CANADIAN NATIONALS

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for either the Acting Secretary of State for External Affairs or the Prime Minister. In light of the reports that various countries are making arrangements to evacuate their nationals from East Pakistan in view of the internal problems there, what steps, if any, has Canada taken in this regard?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the High Commissioner for Canada in Pakistan is presently in Dacca and, according to our latest information, there is no question yet that the Canadians who are now in the eastern part of Pakistan leave the area. At any rate, if the situation were ever to deteriorate to the point where they should leave, discussions are already under way with the British authorities so that their removal can be carried out as quickly as possible.

[*English*]

Mr. Muir: I thank the parliamentary secretary for his reply. Am I to take it that there are no Canadians in any danger at the moment in East Pakistan?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): No, Mr. Speaker; they would not yet be in danger.

* * *

• (3:00 p.m.)

[*English*]

OIL

EFFECT ON EASTERN CANADA OF VENEZUELAN PRICE INCREASE—EXTENSION OF PIPELINE TO MONTREAL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. In view of the increased taxes imposed on foreign oil companies operating in Venezuela, the heavy reliance of eastern Canada on that oil and the almost certain increase in oil prices in eastern Canada, is the government re-evaluating the national oil policy with a view to supplying eastern Canada with Canadian oil by a pipeline?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, these questions are under continuing review. The price structure on the eastern seaboard is not yet firm, in that the Libyan negotiations are still not completed. Certainly the Venezuelan determination will lead to higher cost, but there is no new policy because the facts are not yet clear and determined. When the price structure is made clear, a further comprehensive review will be made.

Mr. Orlikow: I would like to ask the minister whether his department or the government will make their own study of the economics of a new pipeline, rather than leaving it to the oil companies or to Trans-Canada Pipe Lines?

Inquiries of the Ministry

Mr. Greene: Mr. Speaker, both my department and the National Energy Board have a great deal of economic information in regard to the viability of a pipeline, and the question is continually under review. I still feel very sure that under our present system, if a pipeline were economic the private sector would make application to build it. But certainly we undertake independent studies as between ourselves and the National Energy Board.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. When the minister says "the private sector", is he referring to Interprovincial Pipe Line Company which now has a pipeline to eastern Canada, or would the government consider an application from any other group? Also, would the government insist that Interprovincial Pipe Line allow such a group to tie into its system in order to take oil to the Montreal area?

Mr. Greene: Mr. Speaker, I have every reason to believe that the government and the National Energy Board would entertain an application from any entrepreneur or company that wished to build such a line. If it involved tying into the Interprovincial Pipe Line system, we would have to consider that proposition when the application was made.

Mr. Speaker: Order, please. The Chair will allow the hon. member for Calgary North a supplementary, but again I seek the co-operation of hon. members.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I ask the minister whether, when he talks about the private sector, he is talking about the same corporate bodies that are the producers of crude petroleum in western Canada and in the north and also import crude petroleum into Canada.

Mr. Greene: Under our system the pipelines, of course, have investment from the producing sector and from its integrated companies, but they do operate as independent entities.

* * *

[*Translation*]

UNITED NATIONS

CANADIAN AID TO DEVELOPING COUNTRIES—INCREASED USE OF MILK PRODUCTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I intended to put my question to the Parliamentary Secretary to the Minister of Agriculture but in view of his absence I shall put it to the Parliamentary Secretary to the Secretary of State for External Affairs.

It pertains to the reply given a question on the order paper concerning our contribution of almost $36 million in goods of all kinds to the under-developed countries through the United Nations. Can the Parliamentary Secretary tell us whether part of this help consists of dairy produce? If so, could Canada increase that portion in the years to come?

[Mr. Orlikow]

Mr. Speaker: The question of the hon. member should normally have been put on the order paper, but the hon. Parliamentary Secretary might want to answer it briefly.

* * *

[*English*]

GRAIN

STUDY OF HANDLING AND TRANSPORTATION SYSTEM

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister responsible for the Canadian Wheat Board. In view of the fact that the president of the Canadian Transport Commission stated in committee that the grain handling system is largely obsolete and needs tremendous improvement, could the minister inform the House whether or not a study is being done and, if so, when will it be completed?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it has been a well-known fact that studies have been under way in regard to the handling and transportation system for quite some time. Good progress is being made and it should not be very long before these studies are the basis for discussion, first with the co-operatives and other companies concerned and then with the public generally along the lines of the statement made at the time of the announcement of the studies.

ALLEGED LACK OF STOCKS AT VANCOUVER TO LOAD SHIPS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a supplementary question to the minister. In view of the backlog of ships in Vancouver and the fact that the grain on hand and in store in Vancouver is taking up less than 40 per cent of the capacity of the terminals there, what action is being taken to speed up grain movement and ensure sufficient stocks to fill the ships presently at Vancouver or en route?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, action has been taken consistently in order to deal with this problem as effectively as possible. I seem to have figures that are different from those used by the hon. member. I am told that the amount of grain in store is 15,113,000 bushels, that the number of ships waiting at noon today was seven, which have passed inspection, and this, of course, is a decrease from the figure earlier.

Mr. Speaker: Order, please.

* * *

POWER

DISCUSSIONS ON USE OF BAY OF FUNDY TIDES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to direct a question to the Minister

of Energy, Mines and Resources. Can the minister inform the House whether officials of his department are presently meeting or are about to meet with officials of the governments of Nova Scotia and New Brunswick with regard to the programming board report on the harnessing of the Bay of Fundy tides for power purposes?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am not certain whether they are meeting at the present time, but we are in communication with respect to a possible review of at least portions of the Minas Bay study. If we can make such discussions public with the consent of the provincial authorities, I will be very pleased to do so in the House.

* * *

NATIONAL DEFENCE

DOCKYARD WORKERS WAGE DISPUTE—STATUS OF NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the President of the Treasury Board. Can he briefly bring us up to date on the status of the talks between the ship repair group and the government negotiators?

Hon. C. M. Drury (President of the Treasury Board): It is my understanding that they are going on, Mr. Speaker.

* * *

CANADIAN ARSENALS

PROPOSED SALE OF LONG BRANCH PLANT—ARRANGEMENTS RESPECTING EMPLOYEES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Minister of Supply and Services. In view of the reported sale of Canadian Arsenals in Long Branch, a suburb of Toronto, what arrangements are going to be made with regard to taking care of long-term employees who will be laid off, what is the basis for termination of their employment, and what arrangements have been made for their relocation?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the sale is still being negotiated. I have already indicated to the House, in reply to an earlier question, that the interests of the labour force will be taken care of in the negotiations.

Mr. Nesbitt: As soon as the negotiations are completed, will the minister tell the House the exact terms and conditions and in what way the labour force will be protected?

Mr. Richardson: I will undertake to do that.

* * *

CANADIAN WHEAT BOARD

CONSULTATION WITH FARM ORGANIZATIONS ON APPOINTMENT OF CHIEF COMMISSIONER AND MEMBER

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the minister in charge of the Wheat Board. Did the minister consult the Canadian Federation of Agriculture or the National Farmers Union in regard to the appointment of Mr. Vogel as chief commissioner and the appointment of Mr. Esdale of the Department of Industry, Trade and Commerce to the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we did have discussions with a number of organizations, including members of those mentioned by the hon. member, about suitable appointments prior to their being made.

Mr. Gleave: Did the minister ask the Canadian Federation of Agriculture or the National Farmers Union to submit to him names of persons who would be suitable for appointment to the Canadian Wheat Board?

Mr. Lang: Mr. Speaker, they did this themselves in advance of any request having been made to them.

Mr. Speaker: Order, please. We are running short of time and I wonder if hon. members would agree that the Chair be allowed to select the last questioners from the last row, who seem to have been neglected. The hon. member for Joliette.

* * *

[*Translation*]

MANPOWER

ESTABLISHMENT OF CIVILIAN SERVICE CORPS FOR STUDENTS

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

To enlighten the House, on March 3 I asked the Acting Prime Minister if the government intended to establish a civil service—a resolution to this effect having been agreed to at the Liberal convention recently—for students. The minister then replied: "The government will be bringing its plans before the House". However, after the oral question period, the minister is reported to have said to newspapermen that he had misunderstood my question and that was why he had given this answer. I ask the right hon. Prime Minister if the government will establish this civil service since the resolution was passed at the last Liberal convention.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is possible that I, too, misunderstood the question, which to me seemed rather complex, and I would not want to mislead the hon. member. If this is the matter of summer employment for students, generally, I repeat what has already been said in this House, that is, that in a very short while a series of announcements shall be made concerning this. To get acquainted with the details, the House will obviously have to wait for the government to make them.

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question.

Inquiries of the Ministry

Mr. Speaker: I suggest to the hon. member that we have already reached the end of the oral question period. We might perhaps allow him to put his supplementary question tomorrow, at the very beginning of the question period.

[*English*]

POLICIES TO PROVIDE EMPLOYMENT FOR YOUNG PEOPLE WHO ARE NOT STUDENTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the fact that the Secretary of State is now consulting the provinces regarding summer employment for students, can the Prime Minister assure the House that the government is also formulating employment policies for young people who are not students but who are unemployed?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the government is in the process of formulating such policies. The reason consultation with the provinces is taking place is that some of our policies would perhaps indirectly concern the educational function, which is under provincial jurisdiction. For that reason we want to be sure that the provinces have been duly consulted before announcing anything.

* * *

REGIONAL ECONOMIC EXPANSION

PRINCE EDWARD ISLAND—STATUS OF NEWSTART PROGRAM

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Is it the intention of the government to phase out in the immediate future the Prince Edward Island Newstart program and, if so, when will that phase-out begin and what program is contemplated to replace it?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): As people know, Mr. Speaker, these experiments were to be spread over a certain period. This is true for Prince Edward Island and the other provinces. I can inquire in order to find out when it is proposed to bring to a close the project aimed at boosting the economy of Prince Edward Island. I will soon be in a position to give details on the future of this undertaking.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

QUEBEC POSITION ON NEW BILL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the government having introduced a bill on unemployment insurance, and in light of the opposition that has come from individuals and in particular the province of Quebec, which seems to believe that this bill is moving into the welfare field, can the minister state whether all difficulties which have arisen with respect to all provinces and in particular the province of Quebec, have now been resolved?

Hon. Bryce Mackasey (Minister of Labour): That would be my interpretation, Mr. Speaker. I think the consultation with the province of Quebec, which has been going on for several months, has resulted in a better bill. I have no objection to the dialogue which I and members of my department entered into with the provinces if the end result is a better piece of legislation. In the final analysis we are interested in the well-being of people.

Mr. Alexander: If I may have Your Honour's indulgence I should like to ask a supplementary question. I have not seen the bill, but I am wondering whether the minister has made any change in his extension of interruption of earnings due to sickness and pregnancy. Has this area been discussed, and is it one in which changes have been made?

Mr. Mackasey: I do not want to get into a debate, Mr. Speaker. To be precise would require considerable time. I would simply say that unemployment insurance benefits will be provided for people who are temporarily unemployed as a result of sickness or maternity. I think the bill as drafted is acceptable to all provinces.

Mr. Speaker: Orders of the day.

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[*Translation*]

MANPOWER

ESTABLISHMENT OF CIVILIAN SERVICE CORPS FOR STUDENTS

Mr. Roch La Salle (Joliette): Mr. Speaker, on a question of privilege—

Mr. Speaker: Order. The hon. member for Joliette raises the question of privilege.

[*English*]

I shall return to the hon. member for Wellington in a moment.

[*Translation*]

Mr. La Salle: Thank you, Mr. Speaker.

I believe that neither the Prime Minister nor the Minister have understood my question.

I would like to come back to the resolution passed at the last Liberal convention concerning the establishment of a civil service for students next year. That is in the interest of all young Canadians and I trust that the Prime Minister can inform the House whether the government is in favour of such a resolution or not.

Mr. Speaker: The hon. member for Joliette will admit that this is not a case for a question of privilege.

Moreover, the hon. member has put his question for the third time, I believe, and the Prime Minister should perhaps take this opportunity to answer.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the member for his patience. I have well understood his question this time. It refers to a resolution passed at the convention of the Quebec Liberal party and I am told that some members of the party are considering its various aspects. However, it has not yet been examined by the government.

[*English*]

Mr. Hales: Mr. Speaker, through you may I ask for consent of the House to return to routine proceedings? I apologize for not having heard Your Honour call for reports of standing and special committees.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

PUBLIC ACCOUNTS

Fifth report of Standing Committee on Public Accounts—Mr. Hales.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

GOVERNMENT ORDERS

STATUTORY INSTRUMENTS ACT

PROVISION FOR EXAMINATION, PUBLICATION AND SCRUTINY

The House resumed, from Monday, March 8, consideration of Bill C-182, to provide for the examination, publication and scrutiny of regulations and other statutory instruments, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the events of the last hour have again indicated that the bill under consideration emphasizes the arrogance, the insolence and the contempt for Parliament which is more and more characterizing this government. When the white paper was first referred to, I said on the following day that it was a hoax, a delusion, a deception and that the government would never dare bring it in. That hoax has continued for one year. The government, which is afraid to face facts, decided that it would pretend to be securing the views of the Canadian people. That white paper is a condemnation—

Mr. Turner (Ottawa-Carleton): What bill is this?

Mr. Diefenbaker: Mr. Speaker, the Minister of Justice (Mr. Turner) is only a praeceptor primus; he was not the founder of it.

Mr. Turner (Ottawa-Carleton): I was wondering what bill you were speaking of.

Mr. Diefenbaker: I was not bringing the minister into it at all, Mr. Speaker. He is a member of the cabinet; but after the experience we had again today we know that one member of the cabinet does not know what another is doing; the right hand does not know what the left hand intends to do. Today's example again emphasizes that this government does not conform to constitutional procedure. What it does is deceive the people, and when it finds itself in difficulties it runs for cover. It was a sorry sight today to see the Minister of Finance (Mr. Benson), denuded of all responsibility, finally having to admit by inference that he had to back down.

Some hon. Members: Hear, hear!

Mr. Hees: He turned tail and ran.

Mr. Diefenbaker: It is an example of what is being done in certain portions of the bill before the House. We are dealing with clause 26 and with a further clause which Your Honour allowed to be discussed because of their similar nature. What is being done is glossed over simply as an endeavour to bring order out of chaos, to bring clarity out of uncertainty. I remember the election of 1935 when the Right Hon. W. L. Mackenzie King, the then member for Prince Albert, ran on a platform of "King or chaos." We got both.

Some hon. Members: Hear, hear!

• (3:20 p.m.)

Mr. Diefenbaker: Now the government wants to substitute sections in this law for others that have proven to be efficacious in protecting the rights of Parliament. Let me refer back to 1955. Instead of reading the lengthy debates at that time on the subject of the Defence Production Act, I will point out that nothing contributed more to the defeat of the Liberal party in 1957 than the fact that it came to regard itself as divinely appointed, divinely in office and divinely there for the welfare of the people of Canada. Certain legislation was brought in then, the excuse being, of course, that it was the Right Hon. C. D. Howe who was bringing it in, for he did not like Parliament and wanted to get away from Parliament.

We fought the Defence Production Act and ultimately secured an amendment to that act which gave to Parliament and members of this institution the right to challenge any of the resolutions that were passed, that is, the right to challenge any statutory instruments. Ten of us could join together and challenge them. And now what do we find? This government has decided that those provisions ought to be changed. Mind you, it is all in the interests of the people of Canada! That is the way the government sees it. Read clause 26. It provides that "every statutory instrument issued ... other than an instrument the inspection of which and the obtaining of copies

of which are precluded by any regulations . . . shall stand permanently referred to any committee of the House of Commons, of the Senate or of both Houses of Parliament that may be established for the purpose of reviewing and scrutinizing statutory instruments."

Why were the words that were in the old act deleted? We had power then to act. Now, in place of the power to act there is to be substituted submissions to a committee. It will not have any right to act. It may not recommend that an instrument be approved, varied or repealed. It is restricted to reviewing and scrutinizing statutory instruments.

An hon. Member: Why not?

Mr. Diefenbaker: Why not! If the minister really believes in Parliament, he is one of the few ministers on the treasury benches who does. I have always given him credit. He has had some "Joe" jobs to do recently, which indicates that he is the one who is to bring before Parliament those things that will abrogate our rights.

Mr. Turner (Ottawa-Carleton): This bill will not.

Mr. Diefenbaker: Why not accept our amendment? What is wrong? You will allow the committee to have submitted to it all these instruments. They may review and scrutinize them. They may look, see, talk—but not act.

Mr. Nielsen: They may not be heard.

Mr. Diefenbaker: Can you imagine a committee, strangled before it commences to sit, that is permitted by Parliament to consider but to do nothing else? I ask the minister, what possible reason has he to oppose the amendment which provides that the power of this committee shall be to recommend that the instrument be approved, varied or appealed? Why does he want to take away that power? Why does he want to emasculate the committee before it is set up?

Mr. Nielsen: Answer, John.

Mr. Diefenbaker: The minister is governed by either one of two reasons: he is afraid of what the committee will do or might do, or he does not want the committee to do anything. There are no alternatives. The committee may hear and see, but not do. If the government wishes to restore to Canada to full vigour of the parliamentary system, this amendment ought to be accepted without delay. There was a time—it lasted from the time I first came here until 1963—when governments used to listen to suggestions from the opposition. Over and over again, during the King administration, the St. Laurent administration and my administration, if the opposition raised a matter that was worthy of attention, it received attention. Today suggestions are contemptuously cast aside.

The amendment suggested is reasonable. Of course, the government may be trying to prevent action being taken; that will be the result if the amendment is not accepted. Let us take our first step forward in the restoration of this institution by accepting the amendment. At the conclusion of Orders of the Day the government evacuated the chamber as a body. For years and years we have not seen the equal of what is happening, the evacuation from the chamber of those in positions of responsibility. Indeed, sometimes as I watch these ministers disappearing I think of the evacuation of Dunkirk.

Mr. McCleave: There goes another.

Mr. Diefenbaker: Never have I seen Parliament being degraded as it is now through the instrumentality of the government.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In other days ministers used to stay in the House when a serious matter was before Parliament. The Prime Minister did: he had time then. Now the Prime Minister (Mr. Trudeau) is a busy man. When matters affecting the lifeblood of Parliament are brought forward, think of the interest the government shows! The Minister of Justice (Mr. Turner) is here because he must be. There is one other minister sitting in the back row.

Mr. Hees: And he is paying no attention.

Mr. Diefenbaker: No doubt he is saying how he will get out of any difficulty existing between him and the Minister of Indian Affairs and Northern Development (Mr. Chrétien) connected with the building of pipelines.

Mr. Greene: Mr. Speaker—

Some hon. Members: Order.

Mr. Greene: Mr. Speaker—

An hon. Member: The minister must speak from his own seat.

Mr. Speaker: Order, please. Does the minister seek the floor on a point of order, or on a question of privilege?

Mr. Greene: Mr. Speaker, for the benefit of the right hon. gentleman, I was not discussing the subject matter he was referring to. I was discussing the very fine address that the right hon. gentleman was making to this House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: This will be the first time in the history of this government that anybody has admitted that anyone in the opposition has something to say.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I have always said that the minister is a fine parliamentarian. I should like the process of osmosis to be instrumental in influencing the Minister of Justice who is sitting next to him. In earlier days ministers stayed in the House. In those days members of the press gallery stayed to cover the proceedings. There was no outside forum enabling ministers to say one thing in the House and revise, enlarge and dilute outside the House what they had said in the House.

I speak with utmost seriousness about what is happening to Parliament. In a complete compendium of wisdom,

Your Honour earlier today set out the difficulties of Parliament. Sir, I opposed the changes in the rules. It was said that the changes would make things more simple and bring about greater efficiency. Under the guise of doing that, this government has emasculated this institution.

• (3:30 p.m.)

Some hon. Members: Hear, hear!

Mr. Diefenbaker: A private member cannot get anything before Parliament today. Members are becoming a statistic and promoting purpose. Matters of particular consequence to the people of Canada are raised each day for discussion at the adjournment of the House. They cannot get them through. Why? Under the rules, Your Honour asks whether there is unanimity. The answer from the government side is always no: they squelch every possibility. Nothing is discussed in this chamber except that which goes through the sieve of partisan consideration.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The arrogance of this government is again represented in this clause to which an amendment has been moved. I am not expressing my view at the moment but I wish to indicate how general the feeling is becoming. I wish to state the view of John Varley, who was a Liberal student leader and president of the Canadian student Liberals. He ceased to be that after he made this speech. He said:

> Recent actions by Prime Minister Trudeau show he has become "very arrogant"—

He then goes on to deal with certain words that were used, mouthed or lipped in this House. With regard to the expression which the Prime Minister used, Mr. Varley said:

> "The Canadian people know dam well it wasn't fuddle-duddle"—

If we pass this clause, Mr. Speaker, we will simply put a throttle on a committee established as a result of this provision. It is arrogant to introduce this particular section to this bill. Why was it changed? Why was it not allowed to remain as it was, with the committee having the right to make recommendations or negative proposals? The answer is simple. This government has come to the conclusion it cannot even trust its own majority in committees.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It is afraid because many government members will realize how wrong are the actions of this government. If only some of these walls had voices—some of the criticism of members who give their consistent support to the government might be heard by ministers of the government! The Minister of Justice is different. He has been placed on a pedestal. He is a man who believes in Parliament. I suggest to him that, believing in Parliament, he should accept the amendment. If he accepted the whole amendment no one could say that the Minister of Justice was not the first to accept suggestions of the opposition.

As I pointed out a moment ago, the essence of the amendment is to give the committee the power to recommend that statutory instruments be approved, varied or repealed. It is as simple as that. Parliament is your institution and mine. The Prime Minister said that if they don't like it, they can lump it. When the labour men from Montreal were here the Prime Minister brought up to date the immortal words of Marie Antoinette—but he did not tell them they could eat cake: he modernized the words of Marie Antoinette!

This particular clause of the bill constitutes another attempt to secure absolute power on the part of the government. I can just see the march of the committee that will examine these various instruments. It will be appointed, it will march out, it will talk, it will come back and say, "We must say to you, Mr. Minister, that we have discussed the matter, read the section and considered the instrument; but a lack of independence demands that we say nothing, and we are reinforced by the fact that the Parliament of Canada does not require us to do so." We had another example of this today in respect of the white paper. I come back to that matter because it is an example that stands out like an outbuilding on the western Prairies in a fog.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There it is. You see it. For more than a year the government has said we are going to have participatory democracy. This does not apply to committees and members of Parliament. They can speak, but they cannot participate in any decision. The government has said they will give the people of Canada that grand opportunity. What have they done in the past year and a half, through the white paper? They have undermined the Canadian economy to a tremendous extent because of the fear engendered by its implementation.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: This applies to the strongest of Liberals, honoured by the highest decorations that can be awarded. Mr. Bruce Hutchison dealt with this question the other day in an article entitled "Victory by Default". He wrote:

> The Canadian government is said to be an unequalled master of propaganda.

The article then deals with the Minister of Finance. It shows the arrogance of the minister, whom I do not regard as having a monopoly on arrogance. The article says that the Minister of Finance is—

> —the kind of man who, if the world is finally destroyed by nuclear bombs, will prove, next day, by unquestionable figures, that the destruction is only 99 and not 100 per cent when seasonally adjusted.

We do not want seasonal adjustments in the examination of statutory instruments. I know that in his heart of hearts the minister wishes he could allow this amendment, but in the shadows stands the Prime Minister

keeping watch over his own. He does not like "yes men." When he says no he wants them to say no also.

Some hon. Members: Hear, hear!

Mr. Doug Rowland (Selkirk): Mr. Speaker, while I can hardly think of a greater delight than listening to the right hon. member for Prince Albert (Mr. Diefenbaker), I can hardly think of a worse fate for a young member like myself than standing up and following him. I am afraid that after his flight of oratory the House will be brought back to earth with rather a dull thud.

I wish to take a moment to set my remarks in context. I think I can best do that by quoting from an article by Professor J. R. Mallory, printed in the Ottawa Law Review, volume 4, No. 1, summer 1970. Professor Mallory dealt with the question of statutory instruments in Canada and said:

> Parliament cannot, and should not, attempt to consider in detail all of the great variety of regulations which are necessary in a modern, urban, and highly technological society. It has more important things to do. It must keep a constant and wary eye on the major policy questions which affect the public interest. In spite of the very large flow of legislation which is now necessary, parliamentary time must not be so taken up by the legislative process that opportunity is lacking for the other very necessary parliamentary function under responsible government, which is to keep under constant review the policy and actions of ministers of the Crown.

• (3:40 p.m.)

Professor Mallory went on to say:

> Accordingly, the detailed regulations to make the law effective must be made by officials in the name of the government or some statutory public authority. These regulations are no doubt carefully considered. One can be sure that official committees will consider them carefully before they are promulgated. But, unlike acts of Parliament, they will not be publicly debated before they become part of the law. And after they become part of the law there is little chance for them to be reconsidered. In most cases, public debate would not help and is not necessary. What can Parliament say that is essential or constructive on the safe load of a commercial aircraft or the safety precautions necessary in the use of a chemical pesticide, which the experts cannot say with greater authority? Not much. But the problem is as follows. Does the executive agency which makes the regulations stay within the authority provided by the statute? Does it lay down a regulation which unduly restricts the proper liberty of the subject? Does it interfere with the remedies of the subject? Does it interfere with the remedies normally provided by the courts? Who can say? In my view it is the business of Parliament to act as a watchdog for the public interest. I have great confidence in the professional integrity of the public service but I feel that no man should exercise power in the absence of public scrutiny.

Professor Mallory is arguing in favour of parliamentary supervision over statutory instruments. I think there are three steps in achieving the kind of parliamentary surveillance of statutory instruments which Professor Mallory argues to be necessary, which the Committee on Statutory Instruments deems to be necessary and which the bill before us indicates the government itself considers to be necessary. The first is publicity, making sure that the regulation has been promulgated and made known in order that people can examine it and see what its effects are likely to be. This is provided for in the bill before us by the requirement that regulations be gazetted and otherwise publicized.

The second requirement is that there be some means of scrutinizing the regulations to make sure that they conform with clearly understood principles governing delegated legislation. Such mechanism is provided by clause 26 of the bill which deals with the establishment of a parliamentary committee. The third requirement, if there is to be adequate surveillance of delegated legislation, is that provision be made for some means of remedy when a regulation is considered to be unwise. Provision for this is made in the bill in the case of certain specific acts. I refer to clause 30 which does this, fundamentally, though it does so in a manner which gives Parliament less power than it has at present; it provides that a negative resolution of the House of Commons can result in a regulation being revoked. Nevertheless, there is no general provision for remedy in the bill.

Having outlined these three requirements, I think it becomes readily apparent that the type of committee to be established under clause 26 to scrutinize subordinate legislation, and its terms of reference, will have great influence upon the effectiveness of the measure before us. In my opinion the definiton of the role of the committee, as referred to in the amendment of the hon. member for Peace River (Mr. Baldwin), is of great importance. The essential effect of that amendment lies in paragraph 3 in which the hon. member says:

> Where a statutory instrument stands referred to such committee, the committee has, in respect to such statutory instrument, the power to recommend that the same be approved, varied or repealed.

Moreover, it is necessary to adopt some procedure which will ensure that Parliament can rapidly effect a remedy should the scrutiny committee feel it necessary to recommend that the regulation be varied, repealed or amended. Under the present rules of the House, what options are open to us? First there is the option of raising the matter under the terms of Standing Order 58(5). This order deals with the days allotted to the opposition, days on which the opposition may select a topic for debate. There is some difficulty about this approach because opposition parties must already choose from among a number of conflicting and urgent claims upon this allowance of time in the House.

Another option would be to resort to the use of Standing Order 26 when it came to the attention of the House through the scrutiny committee that a regulation needed to be amended or repealed. However, difficulty would be likely to arise here in connection with the question of urgency. I believe I can envisage circumstances in which a good many hon. members would deem it necessary for a regulation to be repealed but in which Mr. Speaker would be correct in ruling that the matter was not properly one for debate under the terms of Standing Order 26 because it was not sufficiently urgent or of general application.

Another option would be to take action under the terms of Standing Order 39A which allows an hon. member who has asked a question of a minister in the

House, and received what he considers to be an unsatisfactory reply, to raise the matter at the time of adjournment. In this case, though, only two people are allowed to engage in debate on the subject under discussion and I do not think this is sufficient guarantee that the House has available adequate means of remedy should it consider there is need to vary or repeat a regulation.

It is on this basis that I support the kind of provision suggested by the hon. member for Edmonton West (Mr. Lambert) in amendment No. 4. I refer to paragraph 3 of the amendment which reads as follows:

> In the event that the said committee should in any report recommend the amendment, replacement or annulment of any statutory instrument, such report shall be brought on for consideration in the House of Commons within 15 sitting days after the tabling thereof in the same session, should such be possible, or within the first 20 sitting days in the next session following, and any debate thereon should continue subject to the Standing Orders of the House of Commons until the report shall have been finally disposed of.

I realize the minister has given the House an assurance that the terms of reference of the committee to be established under this legislation will meet the points raised by hon. members in their amendments and by those of us who speak in support of those amendments. However, since the committee to be established under clause 26 really represents the only means of scrutiny of delegated legislation, the only possible vehicle for redress, I am sure the minister will understand our reluctance to let the bill get out of our hands until we have received definite assurance from him that the problems we have drawn to his attention will be met in the terms of reference of the new committee. I am sure he will understand, too, that we would like to see these guarantees placed within the framework of the bill itself.

Speaking about the nature of the committee to be established by this legislation, there are two other factors I wish to bring to the minister's attention. The first is that the committee to be established must be adequately staffed. I suggest to the minister that he give serious consideration to basing that staff upon the legal counsel of Mr. Speaker and their staffs. It is not enough for such a committee to be assisted by members of the legal staff of the Department of Justice, because it is important that the committee, as a servant of this House and not of the government, should have the services of persons whose loyalties are completely undivided. In this regard I think it is an analagous situation to the relationship between the Auditor General and the Public Accounts Committee.

• (3:50 p.m.)

The other suggestion I wish to make in regard to the form of this committee is that it be empowered to deal not only with the form of statutory instruments or regulations but also with their substance. That is, it must deal with more than questions such as: Is the regulation clearly drafted? Is it based on statutory authority? Is it certain that it does not employ such wide and sweeping powers that constitutional principles are offended?

Such a committee should also be able to decide whether a regulation is a normal or an unusual and unexpected use of statutory authority. In this regard I would draw to the attention of the minister the suggestion of my colleague from Greenwood (Mr. Brewin) that one of the powers of the committee should be to refer the substance of a regulation to another and appropriate standing committee of the House.

In his remarks on Monday, I believe it was, the hon. member for Peace River drew the attention of the House to certain recommendations made by the Committee on Statutory Instruments dealing with the nature and function of the scrutiny committee to be established. He drew the attention of the House to the recommendation that the committee be allowed a preview of regulations so that before they come into force there might be an opportunity for Members of Parliament to express their opinions upon the validity of a regulation, its utility, its conformity to the statutory authority, and so forth.

In this regard I should like to draw the attention of the House to the fact that this particular power for the committee has not been included in the bill. Further, there will be certain regulations that are entirely excluded from the attention of the scrutiny committee. I find some difficulty in my approach to this question. What I really want to do is draw the problem to the minister's attention in the hope that he can clarify the issue for us in his remarks on these two amendments. I can deal with the matter very briefly.

Clause 27(c), on page 13 of the bill, empowers the Governor in Council to make regulations exempting any regulation or class of regulation from publication or scrutiny "in the interest of international relations, national defence or security, or federal-provincial relations". This is a pretty wide and sweeping power of exemption, and it bothers me. But what really concerns me is the seeming lack of provision in this bill similar to that in the Regulations Act requiring the exempting order itself to be published. This bill does provide for wider dissemination of information on statutory instruments, and therefore perhaps the wider powers of exemption are in order. But in their present form they are very wide indeed, with no assurance at all that anyone would get to know about the exemptions. I consider that to be a very dangerous feature of this bill, though perhaps I have misunderstood the situation. I would very much appreciate the minister devoting some attention to this problem when he eventually comments on these amendments, even though I am perhaps ranging a little far from the subject in drawing this matter to his attention.

Publication of an exempting order would at least alert a parliamentary committee or an opposition party to make discreet inquiries about why it was felt necessary to publish the exempting order. If that is not enough, then the committee or opposition party could raise the matter publicly. However, it seems to me that as this bill is presently constituted, parliamentary committees and Members of Parliament would not even know that a regulation had been exempted from the necessity for publication and, as I have said before, I consider this highly dangerous. I think the publication of an exempting order is a necessary safeguard. I should like to hear the minister's comments on the reason for the exclusion of

such a provision from this bill when he chooses to make his remarks on these two amendments.

Mr. Turner (Ottawa-Carleton): I have already spoken on them.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Pursuant to the order made when this matter was before the House earlier this week, the Chair will first put motion No. 3, and subsequently motion No. 4. The question is on motion No. 3. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion shall stand deferred.

The question is on motion No. 4. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion shall stand deferred.

Mr. Robert McCleave (Halifax-East Hants) moved:

That Bill C-182, an act to provide for the examination, publication and scrutiny of regulations and other statutory instruments, be amended by deleting therefrom clause 30 at page 18.

• (4:00 p.m.)

He said: Mr. Speaker, after some of the fireworks we have enjoyed during the last day and a half of debate in respect of what may seem a very mild resolution, I venture to suggest there is probably more dynamite in what I suggest in this motion than there is in the motions of my colleagues. I shall explain briefly what I regard as an extraordinarily important motion.

The effect of what is proposed here would be the knocking out of clause 30 on page 18 of the bill. This would mean that section 41 of the Defence Production Act of 1955 would be restored. Most parliamentarians are

perhaps not aware of the significance of section 41 of the Defence Production Act of 1955. I am certain that members of the press gallery are not aware of its significance, because there is only one pressman there at the moment. The fact is that the debate of 1955 was one of the two or three significant debates which has occurred in this chamber since the end of the Second World War. That alone should make one pause and consider what the minister and the government are attempting to do here.

Perhaps the situation is even more compounded and the confusion more confused by virtue of the fact that the bill most members have on their desk is Bill C-182 as it was originally returned from the Standing Committee on Justice and Legal Affairs. This is not the original bill presented to us on November 3, 1970. This is important, because unless hon. members have referred to the original bill, as well as members of the press gallery, they will not know what is taking place. In the bill presented to us for first reading there was an element of explanation. That explanation is not given in the reprinted bill. Let me turn to the page opposite page 18 of the original bill presented on November 3 and read from section 41 of the Defence Production Act, which would be repealed if we accept the bill now before us. I think this is important. It reads:

Every regulation, as defined in the Regulations Act, made under the authority of this act that is required to be laid before Parliament under section 7 of the Regulations Act and every regulation made under section 9 of the Regulations Act in relation to a regulation made under this act, shall be laid before both Houses of Parliament as soon as may be after it is made.

(2) Where a regulation has been laid before Parliament pursuant to subsection (1), a notice of motion in either House signed by ten members thereof, and made in accordance with the rules of that House within seven days of the day the regulation was laid before that House, praying that the regulation be revoked or amended, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.

I hope hon. members now start to prick up their ears and realize that something special was laid down in subsection 2. Perhaps we should ask ourselves why this provision was laid down in an act passed by a Liberal government in 1955. We should also ask ourselves what will happen in this regard as a result of the measure we are now considering. To complete the story I should read subsection 3 of this act passed by Parliament. It provides as follows:

A regulation that has been laid before Parliament pursuant to this section need not be laid before Parliament under section 7 or 9 of the Regulations Act, but nothing in this section shall be construed as affecting or limiting the obligation under section 6 of the Regulations Act to publish the regulation in the Canada Gazette.

Subsection 3 is not germane to the argument I am advancing, but this is the law of the land as it now stands. Section 41 (2) of the Defence Production Act provides that ten members of this place can sign a notice of motion to the effect that they do not like a regulation and ask that it be revoked or amended. That notice of motion has to be debated. The subsection does not say it may be debated, or that it may be put on some list, to be

drawn out of a hat and taken up in due course. It says it shall be debated. Section 41 (2) provides that the regulations shall be debated in the House at the first convenient opportunity within the four sitting days next after the day of the motion in the House. That is the law as it stands. In a moment I will explain some of the circumstances that led to the adoption of that provision. Let us compare that with what we find on page 18, clause 30 of the bill. It provides:

Section 41 of the Defence Production Act is repealed and the following substituted therefor:

"41. Every regulation, as defined in the Statutory Instruments Act, made under the authority of this act is subject to negative resolution of Parliament.

Again I ask members to prick up their ears. I ask our faithful reporter in the press gallery to prick up his ears. Each of us must ask ourselves the question: What on earth is a negative resolution as suggested in this section of the act? The answer is that nobody in this chamber can remember such an animal as a negative resolution. Never has there been one proposed or considered in this chamber. There have been some proposed and debated in other parliaments. Perhaps we have a hint as to what a negative resolution is: it would seem to be something that destroys a resolution.

As a matter of procedure, one can search our rule book from cover to cover without finding any procedure, suggestion or practice in respect of a negative resolution in this House of Commons. We are in effect being asked to replace something which was fought out in this House of Commons in 1955 and adopted, even though the procedure has never been used. We are being asked to throw that away and replace it with something that is called "subject to negative resolution of Parliament", a procedure which we simply do not have in existence. This is a positive thing being cast away for something that may or may not provide for some parliamentary action one day. I think I have set the stage in respect of what we are being asked to do and perhaps for what I am suggesting we do not do. I give the minister the alternative. If we are to have a negative resolution procedure, it should be spelled out clearly in respect of application or commitment by the government. In that way we will know where we are going.

I turn now to the background of the reasons section 41 of the Defence Production Act was adopted. I shall do so by referring to a book which was placed in the hands of hon. members a short time ago. It was written by Alderman William Kilbourn and is entitled "Pipeline". At page 101 he characterizes the debate that took place in this chamber in 1955. I have already suggested that this was probably one of the two or three most important debates held in this House since the end of the Second World War. He sums it up in this way; and this will save going through several volumes of *Hansard* for the year 1955. I can compress what happened in that debate by reading one paragraph at the top of page 101. At the bottom of page 100 he is dealing with the start of the pipeline debate—but as we all know, that was the forerunner. It reads as follows:

Statutory Instruments Act

• (4:10 p.m.)

The opposition for the first time sensed the possibility of a major victory in the House of Commons. They had already succeeded in the summer of 1955 in forcing Howe's first public defeat by splitting the cabinet on the issue of the indefinite extension of his powers in the Defence Production Act. Since Howe's powers as Minister of Defence Production could make him "the virtual dictator of the whole economy," as Donald Fleming put it, they dug in and fought for a compromise. Some members of the cabinet who half agreed with such criticism were a good deal more anxious than Howe to avoid a summer-long filibuster. While Howe was prepared for some concessions, he rejected the idea of any time limit on his emergency powers. During his absence over a long weekend he left the matter with his colleagues to act as they saw fit. Prime Minister St. Laurent and opposition leader Drew arrived at a compromise which in effect was a capitulation to Drew's terms. As one observer put it, it was "the issue on which George Drew enjoyed his greatest hour of triumph in the House". The Liberals had barely concealed division in their own ranks and then retreated despite their vastly superior numbers. Howe was furious when he heard the news, and summoned House leader Walter Harris to his House of Commons office. St. Laurent got wind of this and within moments of Harris's arrival, slipped into Howe's office unannounced, and nodded to Harris to leave. St. Laurent told Howe that the decision to compromise was entirely his own, and there the matter ended.

When Alderman Kilbourn says that the matter ended, what really happened was that in the House of Commons the Defence Production Act was amended with that compromise, so that the right that was won by the opposition in those days in a bitter debate was secured by the passage of section 41 of the act, the section that we are now being asked to repeal. So it is perhaps not surprising that when this issue came before the justice committee I had the following to say, as recorded in issue No. 7 of the proceedings of Tuesday, February 16, of the Committee on Justice and Legal Affairs:

This caused quite considerable debate back in 1955 when it was brought in and just offhand perhaps Mr. Beseau—

That is Mr. P. D. Beseau, member of the legislation section of the Department of Justice.

—could answer my question because it seems to me we may have watered down the right here. Under the procedure established in that year you could get notice signed by ten members. I wonder whether we could have a comment on that.

MR. BESEAU: With respect to clause 30 it was expected that quite possibly the rules made to deal with negative resolutions of Parliament would be similar to what is already provided in section 41 of the Defence Production Act. For that reason we thought instead of repeating three subsections, and having that become obsolete likely at an early date once this act is proclaimed in force, Parliament might well want to use the negative resolution of parliament that will be provided.

MR. MCCLEAVE: The only difficulty I really had, I notice the ten members it said here, but I do not notice that in the provisions dealing with the negative resolution. You are suggesting this is something we cure by rules of the House just as we take that other section which has been stood?

That was a reference to my suggestion that clause 26 be stood. The Minister of Justice (Mr. Turner) replied:

Yes, we have never adopted the practice of spelling out how the House should exercise its powers under a statute. This issue has come up before this committee with the Federal Court Act, for instance. The Department of Justice has always felt that we would draft what the statute should do and provide a general

umbrella for parliamentary action but that the action Parliament should take and how it should take it should be left to the rules.

I interrupt my reading from the record to say that I think I can agree with this. Unfortunately, I do not notice the President of the Privy Council (Mr. MacEachen) around, since we are getting into a question about rules dealing with a negative resolution, and I will have to ask the minister at least for a commitment —perhaps a pretty specific commitment—and other people may want to do the same. However, before asking for that commitment I should like to complete my reading from the record of the justice committee. I then said:

Then I suppose I should ask for the assurance that we will come quickly to grips with matter of setting up the committee and with establishing the procedure here.

MR. TURNER (OTTAWA-CARLETON): I have that undertaking from the House leader.

MR. MCCLEAVE: You give it to us, thank you. I think that is satisfactory.

MR. TURNER (OTTAWA-CARLETON): I hope so. I hope we can introduce the resolution and then it is up to parliament to decide how to do it. I would think that it would be subject to some negotiation.

The hon. member for Hamilton West (Mr. Alexander) in a subsequent exchange said:

Mr. Chairman, I have never heard the expression "negative resolution" before. Am I to understand that there is no other authority excepting that within the Defence Production Act, that you can have a negative resolution with respect to regulations? Is that what I understand?

MR. BESEAU: It is my understanding that in some other statutes, terminology similar if not identical to that is used. At the moment, the procedure is spelled out. It will be on a motion by ten members of parliament or something to that effect. Under this bill with the amendments to the Interpretation Act, the words "subject to negative resolution of Parliament" will be defined. It is anticipated that rules of the House will be established to say how this motion will be introduced and what will happen.

We found Mr. Beseau to be a very fine witness, but when public servants appear before committees or outside the House they can hardly say what, if anything, we are going to do in this chamber. I do not say that unkindly. It was perhaps a field in which he should not have trodden. The hon. member for Hamilton West then said:

That is not quite my question. Perhaps you have answered it and through my ignorance of the entire matter I do not understand. Is there any procedure within the proposed act whereby this type of manoeuvre is spelled out, whereby you can have a negative resolution or regulation as the case may be? Am I making myself clear? I notice how you have spelled out so definitely in here: "41. Every regulation, as defined in the Statutory Instruments Act, made under the authority of this act is subject to negative resolution of Parliament."

I am just wondering why it is spelled out with respect to the Defence Production Act and perhaps it is spelled out somewhere else in this proposed act that you can still have a negative resolution of Parliament regarding the regulations?

MR. BESEAU: If you would refer to page 17 of the bill, part of the proposed section 28A to the Interpretation Act, paragraph (c) goes on to say: "(c) the expression 'subject to negative resolution of Parliament'..." It defines what that expression means for every act of Parliament and regulation.

[Mr. McCleave.]

AN HON. MEMBER: It is presently meaningless.

MR. TURNER (OTTAWA-CARLETON): That is right until Parliament enacts the rules to supplement it "...in accordance with the rules of those Houses..."

Does the minister wish to ask a question or is he having a private exchange?

Mr. Turner (Ottawa-Carleton): I apologize. It was a subterranean exchange between the hon. member for Peace River (Mr. Baldwin) and myself.

Mr. McCleave: As long as I have such august gentlemen talking about this problem I will be very happy, because to me at least it is a pretty substantial one and I hope that I can enlist from the back benches whatever weight hon. members can bring to bear on this problem. As I said, we are left with the option of replacing a very definite procedure, albeit one that has not been used to my knowledge, with a procedure that has not been accepted by the House and would be set forth in the statute. It may be years before the House gets around to dealing with its procedure in this direction.

• (4:20 p.m.)

I do not know about the effect of the suggestion on the rules of the other place, but by that statute there is a clear direction to go through the statutory process of enactment, namely, first reading, second reading, committee of the whole and third reading. We now have a slightly different procedure, but legislation still goes through first reading, second reading and consideration in committee. Then it comes back to the House, through report stage if there is any question about it, and then third reading. Compare that with the process of setting up rules and regulations by the House where you have referral to a committee. The committee may struggle for a long time or a short time with it. Then it comes back to the House and the committee's report is presumably adopted or varied in some way.

There are several complications in establishing a procedure by way of statute, more so than by establishing it through the rules of the House. Because it is more complicated, I suggest it gives a greater right. It is difficult to disentangle something like section 41 of the Defence Production Act and that is why I am fighting for it and making the best argument I can. It may be said that the repeal of this section is of little moment because it deals with procedure, but some of us can recall great words of wisdom from a former justice of the Supreme Court of Canada, Mr. Justice Rand. These words have always appealed to me because he was a Maritimer. He was asked about the development of jurisprudence in so far as it affected human rights and fundamental freedoms in Canada, and he said, "The procedure is the source and protection of all our rights." In short, a right is meaningless and non-existent unless we can invoke it. If we feel that our rights are infringed upon, we can scream in one direction, write a notice in another direction or summon up some procedure whereby our complaint will be looked at.

I would also point out that a pretty substantial right was won by a minority in Parliament. For example, it was a right that our friends to my far left, with the support of only one or two other members, could have used if they felt that the regulations under the Defence Production Act were in any way wrong. It was a right that members solely within the ranks of the NDP could use, or any group within the official opposition or, for that matter, within the rump that sits alongside Your Honour, or on the other side flanked around the Prime Minister (Mr. Trudeau) and his group. As I say, it was a pretty substantial right and probably was as good a check as one could have found on the powers of a minister who had grown so used to power that probably he was a little indifferent to the processes by which power is granted to a minister. That is my argument and I will not belabour it. I think I have put all my points on the record.

I understand that negotiations have been going on all around me even while I am still on my feet, Mr. Speaker. I am just trying to catch the flavour of them and also to present my concluding peroration. Since my contribution seems to have had some effect, I will conclude by saying I hope I get from the Minister of Justice an amplification of the assurance that he provided in committee, namely, that we would learn a little more about this mystic right known as the negative resolution. Then if we have to march off in new directions in the law, we will carry with us the spirit of something that was fought for and won in 1955 in this Chamber.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I think I could do somewhat better than that by the hon. member and not only give him an assurance but, in effect, accept the purport and substance of his amendment, if the House would allow me to have an amendment presented which I think serves his purpose better than the one he introduced. I will explain why. The words "negative resolution" are found in clause 30 of the bill and can be related to the amendment to the Interpretation Act which is found on page 17 of the bill, subparagraph (d), and reads:

—the expression "subject to negative resolution of the House of Commons", when used in relation to any regulation, means that such regulation shall be laid before the House of Commons within 15 days after it is made or, if the House is not then sitting, on any of the first 15 days next thereafter that Parliament is sitting and may be annulled by a resolution of the House of Commons introduced and passed in accordance with the rules of that House.

I am quite willing to allow section 41 of the Defence Production Act to stand as it is, but in order to have it stand we have to amend it, not in the way the hon. member seeks to amend it but in another fashion—because it is my submission that section 41 would become meaningless on the coming into force of the statutory instruments bill. Under the Statutory Instruments Act there is no requirement that regulations be laid before Parliament. This procedure will become obsolete by clause 13(1) of the bill which requires that a copy of the Canada Gazette in which a regulation is published be delivered to each member of parliament.

The proposed section 41 of the Defence Production Act will require that every regulation made under that act be published in the Canada Gazette. There will therefore be no power under the Statutory Instruments Act to exempt those regulations from publication. The procedure relating to revocation or amendment of those regulations will be tied to publication, rather than laying before Parliament, but in other respects will be analogous to that provided in existing section 41 of the Defence Production Act.

But to make it perfectly clear, and to accept the argument of the hon. member, I need the unanimous consent of the House because I will not have met the requirement of the rules requiring 24 hours notice for this type of amendment, although I could argue that this is consequential upon the amendment proposed by the hon. member for Halifax-East Hants (Mr. McCleave). I need the unanimous consent of the House to have another amendment moved which I have informally circulated and copies of which could now be distributed to all hon. members. I could read the amendment into the record with the consent of the House, and without prejudice to my own argument I point out that the amendment I am suggesting is consequential upon the amendment introduced by the hon. member for Halifax-East Hants.

Mr. Baldwin: He might have to withdraw his.

Mr. Turner (Ottawa-Carleton): Yes.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker, I suggest that the minister read his amendment into the record for the purpose of informing hon. members. Then debate could continue and the necessary steps could be taken, depending upon the disposition and will of the House.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I accept the point of order of the hon. member for Edmonton West (Mr. Lambert) and with your permission will say it will be moved by the Parliamentary Secretary to the Minister of Justice (Mr. Béchard), seconded by the hon. member for Ottawa West (Mr. Francis), as follows:

That Bill C-182 (reprinted as amended and reported by the Standing Committee on Justice and Legal Affairs) be amended by striking out lines 34 to 38 on page 18 and substituting the following:

'41. (1) Every regulation, as defined in the Statutory Instruments Act, made under the authority of this act shall be published in the Canada Gazette within 30 days after it is made.

(2) Where a regulation has been published in the Canada Gazette pursuant to subsection (1), a notice of motion in either House signed by ten members thereof and made in accordance with the rules of that House within seven days of the day the regulation was published or, if parliament is not then sitting, on any of the first seven days next thereafter that Parliament is sitting, praying that the regulation be revoked or amended, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.'

• (4:30 p.m.)

I think that would correct the situation and I leave it to the House to decide how to dispose of the matter. May I say, Mr. Speaker, that I may have inadvertently misled

the House on Monday. I should like to refer to page 4067 of *Hansard* where I stated that I agreed with the recommendation of the special committee that the scrutiny committee should normally sit in public session. This was an exchange between the hon. member for Peace River (Mr. Baldwin) and myself. I went on to qualify that statement by saying: "...unless it involves regulations which are exempt because of national security."

Under the terms of the bill, a regulation that is exempted under clause 27(d)(ii) on grounds of national defence or security would not be referred to the scrutiny committee under the terms of clause 26. Thus, there would be no need for the scrutiny committee to hold in-camera sessions because it would never be dealing with regulations that were exempted under clause 27(d). The point remains that there may be occasions when the committee would want to sit in camera and I want to clarify that point. I am quite prepared to accept the substance of the hon. member's amendment.

The hon. member for Edmonton West suggested to me that if the hon. member for Halifax-East Hants were agreeable to withdrawing his motion, this would allow mine to be put, waiving the rules if necessary although without prejudice to my argument that there may well be a consequential amendment, and then the matter could be disposed of.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if the hon. member for Halifax-East Hants (Mr. McCleave) would see fit to withdraw his motion, then possibly there would be unanimous consent that all Standing Orders be suspended to the extent necessary to allow the Minister of Justice (Mr. Turner) to move this amendment, which would then become part of the bill. I know this is rather extraordinary but I think it would be the simplest way. We are not really at the right point to do it, but if the House agrees that all rules be suspended in order to achieve this result it would be much simpler.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to indicate approval of the proposed procedure. It seems to me that in effect what we are doing is accepting the proposition of the hon. member for Halifax-East Hants (Mr. McCleave) that the proposal in clause 30 of Bill C-182 be eliminated. If that was all we did we would be putting it back the way it was in the Defence Production Act. As the Minister of Justice (Mr. Turner) pointed out, a consequential change needs to be made in view of the fact that these regulations are not now tabled but are published instead.

I do not think we are doing violence to any rule. I think the Minister of Justice is right, that he could probably have moved his proposal as an amendment to the motion of the hon. member for Halifax-East Hants. Rather than go through all that rigmarole, I think if we have unanimous consent that the motion of the hon. member for Halifax-East Hants can be withdrawn, the Minister of Justice can make his amendment at the report stage, or his parliamentary secretary can, and we shall all be happy.

[Mr. Turner (Ottawa-Carleton).]

While I am on my feet, Mr. Speaker, I must say that I shall resist the temptation sparked by the speech of the hon. member for Halifax-East Hants to which I might have yielded had we been carrying on this debate. This recollection of the history of 1955 is interesting to those of us who were here. I think that was not the only concession that Mr. St. Laurent made to Mr. Drew. He also changed the five year limit to three years, and I think this annoyed Mr. Howe even more than the one we are now debating. The hon. member suggested that was Mr. Howe's first defeat—or William Kilbourn suggested this. Since we are making this brief reference to history, it is a matter of record that because Mr. Howe was crossed up that way in 1955 he made sure in 1956 that his pipeline legislation was all signed, sealed, delivered and ready for Parliament before telling the cabinet! So this is interesting history that some of us are reliving. But I rose simply to say that the procedure to do this by unanimous consent would meet the situation.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we agree with the proposals made by the Minister of Justice (Mr. Turner). We are satisfied with the position that he has taken, and we thank him for letting us know of his intentions beforehand. I feel that this is an example of cooperation between parties.

As for us, we support this measure, and we are pleased to give our concurrence.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my comments are merely intended to clear up any misconception that may have arisen that there is some value to the expressions "subject to affirmative resolution of Parliament" or "subject to negative resolution of Parliament," and that somehow or other the idea has crept in that these were safeguards. In the amendment that we are now considering and the act to which it applies, such a phrase as "subject to affirmative resolution of Parliament" or the contrary, "subject to negative resolution of Parliament," would not appear. The amendment must be carefully read. Clause 28A(1)(a) reads:

> In every act, (a) the expression "subject to affirmative resolution of Parliament", when used in relation to any regulation means that—

The only point is that none of the statutes that lie behind us have the phrase "subject to affirmative resolution of Parliament" or "subject to negative resolution of Parliament". There would be no application whatsoever, so all regulations made under the legislation now in force would not be subject to the so-called safeguard that was being put forward. Of course, it was readily admitted by the Minister of Justice (Mr. Turner) that he cannot guarantee that any act in the future will contain such phraseology. It will be necessary for the opposition, I suppose, in appropriate places to insert this provision. But as I indicated to the minister on Monday, I am not entirely happy with having this type of suspensory power; in other words, that regulations being made

under the act should stand still until they have been either approved or negatived by Parliament.

I would be just as happy to see this whole thing wiped out. I think it is meaningless and I think Parliament can accomplish a great deal more by following the amendment I made to clause 26 because then, without going into repetitive debate, if the scrutiny committee runs into anything, it has to bring it forward. I think it strange that the minister would reject the argument that it should be brought forward, when in actual fact the amendment the minister now brings forward to restore certain provisions under the Defence Production Act provides the period of time during which the debate must take place. It is not provided for in the rules but it is provided for in the legislation. The minister's amendment, in which he repeats what was necessary in 1955—this is all I am saying in my amendment to clause 26—reads:

—or if Parliament is not then sitting, on any of the first seven days next thereafter that Parliament is sitting, praying that the regulation be revoked or amended, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.

• (4:40 p.m.)

In other words, it is not the rules of the House that will provide when such a motion shall be debated; it is the statute. That is all I say. In the amendment to clause 26 the report of the committee which wants to draw attention to any statutory instrument shall be brought forward within the specified time and shall be debated and disposed of. That is all that is contained in the Defence Production Act amendment—and this is a parallel argument. If the minister was prepared to accept the argument in that case, why not in the others?

I suggest to the minister that we have no undertaking from the Government House Leader with regard to the rules or anything of that nature. There is no indication whatever as to what will happen to the reports of the scrutiny committee. I am glad the minister was able to accept this suggestion and I congratulate him for bringing forward his amendment. I also congratulate him for seeing the wisdom of my argument with regard to my amendment to clause 26. He has inferentially accepted it, and accepted it entirely in regard to this amendment. Since the Minister of Justice must be logical, I will expect his entire support for my amendment which will be voted on later this day.

Mr. McCleave: Mr. Speaker, I request leave of the House to withdraw the motion which stands in my name.

Mr. Deputy Speaker: The hon. member for Halifax-East Hants (Mr. McCleave) asks leave of the House to withdraw the motion in his name which is now before the House for consideration. Is there such consent?

Some hon. Members: Agreed.

Motion (Mr. McCleave) withdrawn.

Mr. Deputy Speaker: If there is consent, the Chair has an indication from the Parliamentary Secretary to the Minister of Justice (Mr. Béchard) that he wishes to move a motion. He can only do that if there is unanimous consent. Is there such consent?

Division

Some hon. Members: Agreed.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice) moved:

That Bill C-182 (reprinted as amended and reported by the Standing Committee on Justice and Legal Affairs) be amended by striking out lines 34 to 38 on page 18 and substituting the following:

'41. (1) Every regulation, as defined in the Statutory Instruments Act, made under the authority of this act shall be published in the Canada Gazette within 30 days after it is made.

(2) Where a regulation has been published in the Canada Gazette pursuant to subsection (1), a notice of motion in either House signed by ten members thereof and made in accordance with the rules of that House within seven days of the day the regulation was published or, if Parliament is not then sitting, on any of the first seven days next thereafter that Parliament is sitting, praying that the regulation be revoked or amended, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.'

Motion agreed to.

Mr. Deputy Speaker: The House will now revert to the deferred divisions on motions Nos. 3 and 4.

• (5:00 p.m.)

The House divided on motion No. 3 (Mr. Baldwin) which was negatived on the following division:

YEAS

Messrs:

Asselin
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Brewin
Burton
Cadieu
Carter
Coates
Code
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas
Downey
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore
Muir
Murta
Nesbitt
Nielsen
Nystrom
Paproski

Division

Messrs:

Peddle
Peters
Ritchie
Rodrigue
Rondeau
Rowland
Rynard
Saltsman
Schumacher
Scott
Skoberg
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—84.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Breau
Brown
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Duquet
Émard
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Goode
Greene
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hellyer
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
McBride
McIlraith
McNulty
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
Olson
Osler
Penner
Pepin
Perrault
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Rock
Roy (Timmins)
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis—105.

[Mr. Deputy Speaker.]

• (5:10 p.m.)

Mr. Speaker: I declare the motion lost. The question is now on motion No. 4.

The House divided on motion No. 4 (Mr. Lambert, Edmonton West) which was negatived on the following division:

YEAS

Messrs:

Asselin
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Brewin
Burton
Cadieu
Carter
Coates
Code
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas
Downey
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore
Muir
Murta
Nesbitt
Nielsen
Nystrom
Paproski
Peddle
Peters
Ritchie
Rodrigue
Rondeau
Rowland
Rynard
Saltsman
Schumacher
Scott
Skoberg
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—84.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Breau
Brown
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
De Bané

Messrs:

Drury
Duquet
Émard
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Goode
Greene
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hellyer
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
McBride
McIlraith
McNulty
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
Olson
Osler
Penner
Pepin
Perrault
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Rock
Roy (Timmins)
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis—105.

Mr. Speaker: I declare the motion lost.

Hon. John N. Turner (Minister of Justice) moved that Bill C-182, to provide for the examination, publication and scrutiny of regulations and other statutory instruments, as amended, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time? By leave, now? Is the hon. member for Selkirk (Mr. Rowland) rising for the purpose of registering an objection to third reading being proposed now?

Mr. Rowland: No, Mr. Speaker.

Mr. Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I hope that this bill will pass by six o'clock. My leader, who would normally be here, has gone out to reflect upon the sins and omissions of the Minister of Finance (Mr. Benson) after reading the speech he made in Kingston. However, there is no better way of spending 40 minutes than reflecting upon the sins and omissions of this government.

Some hon. Members: Oh, oh!

• (5:20 p.m.)

Mr. Baldwin: If there were more open minds and fewer open mouths we might get somewhere. Let me refer to the bill itself. This debate has been fascinating because it has indicated that in reality it is the civil servants who run the affairs of this country. Our affairs are conducted by bureaucratically-oriented civil servants with the assistance of aspirants to the cabinet on the other side of the House. I must make certain exceptions in respect of the Minister of Justice (Mr. Turner), who raised his eyes when I made that remark, and the Minister of Energy, Mines and Resources (Mr. Greene). I am sure he is able to establish his credentials but he has not presented them up to now. It is the civil servants, with the aid of volcanic exchanges between the Minister of Finance (Mr. Benson) and others, with belches of smoke and lava, who run the country. These are the people who deal with the affairs of this country by means of statutory instruments and regulations.

To illustrate the position let me point out that out of 600 statutes on our books, 430 have been created by Order in Council, by the Prime Minister (Mr. Trudeau), by tribunals or by other innocuous bodies. If we were to consider the last ten years on a percentage basis, I am convinced that a much higher percentage of our statutes has been created or amended than the 70 per cent I have referred to in respect of the figure of 430 out of 600.

The other day during a debate in the House of Commons the Minister of Justice participated in some interesting exchanges. In particular, I had occasion to refer the minister to recommendations of the Special Committee on Statutory Instruments, whose report was the basis upon which the minister brought in this measure. Some of us in the House worked a long time on this matter. I give credit to members who sit on the government side as well as those of other parties. We created what we feel is a good example of legislation in respect of statutory instruments and regulations. We obtained a consensus of hon. members in respect of changes that should be made. These are changes which the government has avoided.

I suggest that the government's bill falls far short of the proposals put forward by the special committee. The Minister of Justice took issue with me in this regard by referring to the recommendations contained in the MacGuigan report. In this regard I intend to meet him in the same way because I think this is an important matter. Among the proposals of the committee was one in respect of a change in dealing with statutory enactments. Many suggestions were made by the committee which could and should form policy of the government in this particularly vexatious and difficult situation. In addition, there were proposals in respect of the establishment of a committee of scrutiny. In this regard the committee made a categorical recommendation.

The Minister of Justice said he could not meet us in this regard and that the House itself should be the instrument through which the committee was established. He suggested this House should set up the terms of reference. I agree with him basically in most respects. Having in mind the stage to which we have advanced, I think it would be wrong for us to pass this bill without first obtaining from the Minister of Justice, the President of the Privy Council (Mr. MacEachen) and the Prime Minister—I am convinced they are now discussing this matter with an eye to agreeing with me—an assurance that a large percentage of the proposals made by the special committee will be adopted.

The Minister of Justice has indicated that it is his intention to bring about the establishment of a special committee with powers parallel or equivalent to those the committee proposed. He has given us the assurance, as a member of the government, that this will be done. This is still a matter for cabinet decision before a resolution is presented. We may wait until the end of this session or perhaps the next session before witnessing any attempt by the government to create such a committee. Without the establishment of such a committee and the passage of this bill, Parliament will be useless.

I suggest there should be a categorical statement on behalf of the government that there will be introduced to this House within a specified period of time legislation setting up the appropriate committee. This could be achieved as the result of discussion among the Government House Leader and leaders of the other parties. By agreement they could decide the terms of reference. Anything short of that falls far short of achievement of any value.

Let us examine the recommendations found at pages 90, 91, 92 and 93 of this report. The report contains a very cogent series of proposals which the Minister of Justice has not seen fit to introduce; he has made an attempt to slough them of. Proposal No. 2 is:

> Except in the interests of national security, there should be no exemptions from the requirements of the Regulations Act other than as to publication.

The bill goes much further than that in its restrictive effect. As I understand it, an amendment will be introduced later and I do not intend to go too far into this matter. I do not intend to say anything about what has been accomplished, because this bill goes far beyond the restrictive effects proposed in the recommendation. The recommendations continue:

> The Minister of Justice should be charged with the responsibility of deciding for all regulation-making authorities which documents should be classified as regulations.

That is not the case. A committee of civil servants has been established and there have been terms agreed upon which direct that there shall be liaison among the Minister of Justice, the deputy minister, the department and the committee. What we now have in so far as this bill is concerned is one committee of civil servants sitting in judgment, deciding on the character of restrictions which should exist in respect of regulations and Orders in Council. What we have in mind is a committee answerable through the Minister of Justice, who is an elected representative of the people, through the medium of questions in the House of Commons, to Members of Parliament. We must be in a position to make sure he is discharging his responsibility as minister, particularly in the establishment of this committee.

The minister has suggested that the recommendation in this regard has been met. We believe such a provision is very important. I am sure that hon. members on this side, as well as those who sit opposite, will agree with me and the hon. member for Hamilton-Wentworth (Mr. Gibson) that it was made crystal clear that the committee felt the Minister of Justice was ultimately responsible. The minister could delegate that responsibility but we would be entitled to look to him for answers to our questions. However, the bill does make this provision.

• (5:30 p.m.)

We went on to recommend that all enabling acts in respect of regulation-making authorities should meet certain principles. I agree that when we come to examine those it is very difficult to include in statute form the kind of restrictions and proposals which were made by the committee. But I think we should have such a declaration by this government, which I admit is not binding on future governments; and there will be another government within a comparatively short time—as to that there is no doubt. While not binding on other governments, there should be a declaration by this government as a matter of principle, either a written declaration or a statement in the House on motions, that with respect to the enactment, promulgation and the type of regulations which will be passed, basically the proposals contained in recommendation 7 will be followed.

In saying this I concede that the minister would have a problem in putting all the recommendations into statutory form. I will not read them all; they are available to all Members of Parliament. But it is my submission that the failure to do this constitutes a grave breach of what the committee had in mind when it laid down this series of recommendations in its report.

Under recommendation 8 the Minister of Justice should refer the enabling clauses to the proposed standing committee on regulations at the same time as the bill is referred. That cannot be put in statutory form either, but I think it is a useful suggestion and I throw it out so it may be followed. What happens when we are discussing in this House on second reading bills which contain a regulatory-granting power? We will always find in those bills one clause which enables the Governor in Council to deal with regulations. I would think that if there is serious doubt in the minds of the government or of the minister involved, the matter should be referred to a committee with special reference to examine the issue before the statute is passed, or contemporaneously while it is being considered. All too often we find that the simple, sometimes insidious words contained in these regulatory-granting powers and in the regulations go far beyond what was contemplated and have effects which were not in the minds of the members who were dealing with the issue.

I read recommendation 9 when I was speaking on my motion. I do not think it would do any harm to summarize it. Before making regulations, regulation-making authorities should engage in the widest possible consultation with the public at large as well as with those most directly affected. I think that is probably one of the most important functions to be considered. When regulations are enacted they do not have the publicity which statutes receive when they are being discussed in the House. I am not suggesting it should apply to every regulation but when we are dealing with questions of transportation, for example, it should apply. Another typical example is immigration regulations. There is no doubt that there are in existence a number of regulations which are not within the knowledge of a great many people in this country. I would say that 99 per cent of the members of this House do not know what these regulations are. They do not know whom they affect and what could be their result.

I think it would be wise in situations where important matters are being considered that advance notice be given and that there be an opportunity for representations to be made by members of the public as to what the regulations should be. We hear all this mockery about participatory democracy, but I think without some opportunity being given for the public to be advised, to be warned, to make its comments as to what regulations are going to be enacted, regulations which more than statutes affect us seriously, we are not dealing adequately with the subject.

There are many other recommendations which I will not take the time of the House to read. I want to conclude on this note. I repeat what I said before. I urge, first, that a statement be made on behalf of the government indicating that there will be brought into the House within a reasonable time before this session is ended, proposed amendments to the Standing Orders which will provide for the establishment of a committee of scrutiny and the terms of reference of that committee. Second, there should be made, on behalf of the government, by a responsible minister a statement that in dealing with regulations the recommendations made by the special committee will follow as closely as possible. These are the kind of recommendations which cannot come into a statute but which form the pith and substance, the essence of our proposals to this House. Without those statements being made I say that this House is being short-changed by this bill.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, very briefly I would like to add to the remarks of my colleague, the hon. member for Peace River (Mr. Baldwin) that I am very sorry that I do not have the enthusiasm for this bill that I had hoped to have. I feel, as I indicated to the minister, that this bill was designed by the Department of Justice for the benefit of the officials of that department. It creates a fine administrative sieve. In my view, statutory instruments may have to go through such an administrative sieve; but the purpose of the whole exercise, right from the time proposals were made in the House for setting up this committee, and the burden of all the argument has been that there shall be a review by Parliament, because statutory instruments are delegated legislation and surely to goodness Parliament has the right to review.

A partial step only has been taken. The legislation says that there will be a scrutiny committee, and that is all. The exceptions to the regulations that will be referred to this scrutiny committee are fairly wide; As a matter of fact, they are too wide for my liking because unless they are published they do not go to the scrutiny committee. Particularly those that apply to a few people—and there are some exceptions to that in clause 11—go too far for real safety because there can be as great an injustice in a statutory instrument that applies to a limited class of people, or even to an individual, as there can be to one of general application; yet the limited ones are exempt from examination.

• (5:40 p.m.)

The third point I would like to make is that I regret that the minister has not seen fit to include in the legislation amendments to section 26. I will come back to the arguments I made. This is a grand gesture. There is authority now in the statute for Parliament to set up a scrutiny committee; but you have not given it any tools to work with—merely that certain classes of instruments shall stand referred to the committee and from there on there is nothing. This House has not one guarantee, one indication of any kind, saving and excepting, shall we say, the benevolent good wishes of the Minister of Justice that he will use his good offices with his colleagues, and so forth and so on, so that parliament might get a good resolution. But that is not enough.

We do not know, as my colleague from Peace River said, when this resolution is to come forward. Can the Minister of Justice in all honesty tell the House when we might expect such a resolution to come forward? Will it be this session or next session? The next question is: What will it contain?

Mr. Gibson: Progress.

Mr. Lambert (Edmonton West): I would like to get the hon. member for Hamilton-Wentworth (Mr. Gibson) up on his feet. He should have been up on his feet at the report stage.

Mr. Gibson: Would the hon. member accept a question?

Mr. Lambert (Edmonton West): Certainly.

Mr. Gibson: The hon. member has been very critical of the bill, but I suggest that part of the advantage of the bill is that it is not tied down in watertight compartments. We are hitting new ground. Is it not true that in Westminster, in New Zealand and Australia where they have scrutiny committees—

The Acting Speaker (Mr. Richard): Order. Has the hon. member a question?

Mr. Gibson: Yes. Is it not true that in the mother of parliaments most of the work done by a scrutiny commit-

tee is done by convention, practice and experiment, and isn't that why it is a success?

Mr. Lambert (Edmonton West): There is no indication whatsoever that there will be any convention or otherwise in this case. The legislation provides that the rules of the House shall determine, and that means nothing so far as Parliament is concerned.

Mr. Gibson: But most of it is done by committee.

Mr. Lambert (Edmonton West): There is no indication that the government will at any time bring in the changes. The resolution is entirely at the initiative of the government. There is not one opportunity for a backbencher or a private member from either side of the House to bring forward a resolution which would have the effect of getting this scrutiny committee established, or of setting down the procedures to be followed. And certainly to me this is a disappointment.

If the hon. member for Hamilton-Wentworth would only look at the logic of the amendment introduced this afternoon by the Minister of Justice with regard to section 41 of the Defence Production Act, he would see that what was included in it was precisely the same logic and the same general procedure that applied to the amendment to clause 26 that I put forward. However, under the Defence Production Act one does not move under the rules of Parliament. It states that on a motion signed by ten members the regulation should be brought on for debate within four sitting days after the motion is tabled.

My amendment provided for the report of a committee in which there was a recommendation for the variation, the annulment or the amendment of any statutory instrument, and that that report would be brought forward, debated and disposed of in government time. What is the difference between the two? They apply the same logic. It is not a question of rules determining how this is going to happen, but the statute lays it down. What is the difference? We should still have the resolution in the House to set up the scrutiny committee, but on this there was no undertaking.

I have been critical in certain respects but I know the minister will admit there there were a lot of areas in which there was agreement. I think the bill is a step forward, but I had hoped it could be that great bold step forward which the minister had hoped would come about. I regret that the minister was not quite as bold as he should have been. That is the burden of my criticism. We will keep after the minister to see that we get this scrutiny committee, not next year or the year after that: we want the appropriate resolution on the Order Paper in good time, with the knowledge that the House leaders are meeting to discuss its general terminology. I will leave the matter on that basis.

Mr. Doug Rowland (Selkirk): Mr. Speaker, when I spoke earlier this afternoon I indicated that I was somewhat uneasy about one of the provisions in the bill empowering the Governor in Council to make regulations exempting regulations or classes of regulations from publication or scrutiny, in the interests of international relations, national defence, security or federal-provincial relations. That is a pretty sweeping set of powers given to the Governor in Council, powers which could cover a multitude of sins. As I indicated earlier this afternoon, perhaps wider powers of exemption than is the case under the Regulations Act are required because there are stronger provisions for publication in the bill now before us. But even so I am concerned that there is no explicit provision in this bill for the publication of the exemption order which would be made under the authority of clause 27 in any one of these four rather broad and all-encompassing areas.

I repeat that there is no specific provision in the bill that the regulation which exempts other regulations from publication or scrutiny must be published so that Members of Parliament and the public can be aware that such an exemption has taken place and, if they are interested in determining why such an exemption has been allowed, they can then make inquiries in order to determine the reasons for it. If they find the reasons unsatisfactory, they could bring the matter to the attention of the public and raise it publicly in this House. There is no specific provision for that in the bill. I consider this to be a rather glaring omission in the legislation. I think it is a lack of a proper safeguard which must be in the bill if it is to be the sort of legislation we want to see passed by this House.

I am very reluctant to do what I am about to do, because the minister has shown a considerable degree of co-operation with the House this afternoon in making accommodations to suggestions put forward by the opposition. In fact, I feel somewhat culpable in not having put forward this amendment at report stage where it properly fitted, but it is not something that came to my attention in time for me to do that. I think it is an indication of how serious an omission I think it is that I feel compelled to move the amendment which I am going to move at this time, even though it will somewhat delay the activities of the House. Nevertheless, I consider the omission of the right of the public to know a regulation has been exempted from the provisions for publication or scrutiny under the terms of the bill is something which we cannot allow to pass unchallenged. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-182 be not now read a third time but that it be referred back to the Standing Committee on Justice and Legal Affairs for the purpose of reconsidering clause 27 thereof.

• (5:50 p.m.)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I can make my remarks in about two minutes. I regret that I did not bring in an amendment on second reading to deal with clause 27. I think the Minister of Justice (Mr. Turner) will recall that I did bring an amendment before the Justice and Legal Affairs Committee. I, too, feel that clause 27 provides for exemptions from the very salutary provisions of the bill, for publication and inspection of statutory instruments. I feel that it provides a dangerously wide breach which threatens to deprive the act of the effect which I think it should have and which I think Parliament would intend it to have.

I want to refer particularly to the provisions in clause 27 that allow exemption from the necessity of publication in the Canada Gazette of any statutory instrument which in the opinion of the Governor in Council would not be in the interests of federal-provincial relations. It seems to me that this is a very broad provision. In all democratic countries governments have used powers like this to exempt from publication and to seek to get behind some sort of curtain of secrecy, certain things that are done. If they are invited to do so by legislation, merely by a declaration that federal-provincial relations might be affected, we know how often that would prevent an instrument that ought to be published from coming to public attention. I regret doing it at this stage and I confess it is my oversight. I did not bring in an amendment at the report stage, but the matter is so important that I thought it should be brought forward now.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I know that under the rules of the House I do not close debate at third reading stage, but it might be appropriate for me to say a few words because I feel the debate will close out and perhaps the vote could be agreed upon tomorrow. The hon. member for Peace River (Mr. Baldwin) was all for having me give a number of undertakings. What I am saying now represents my attitude to the bill, and I think it is shared by the House leader. These matters have not been considered by executive council but I can say to him, first of all, that a resolution amending the Standing Orders with the effect of establishing a scrutiny committee will be presented at this session of Parliament to implement not only the recommendations of the Special Committee on Statutory Instruments but also to fulfil the provision of clause 26 of the bill before the House.

The hon. member for Peace River wanted me to give some sort of undertaking on the recommendations of the special committee's report. I can say to him that within the reservations I stated the other night when I analyzed the recommendations one by one, I favour, as does the government generally, the recommendations contained in the report. I intend to draw up some criteria implementing regulation No. 7, that is to say, those proposals that should govern enabling acts for regulation-making authority.

Hopefully, those criteria will be accepted by the government and will govern the drafting procedure of future statutes. I am hopeful that this will be done, but the ultimate control will be Parliament when statutes are brought forward. I would expect this House and the standing committee considering bills to compare the enabling statutes with the criteria in recommendation No. 7 of the report of the Special Committee on Statutory Instruments. Although the hon. member for Peace River did not mention it specifically, regulation 19 (9) of the report establishes criteria for the examination of regulations by the scrutiny committee. That being the case, I intend to have those criteria set forth in an internal cabinet directive before regulations are made and drafted in order to anticipate the criteria which the scrutiny committee would want to apply to those regulations.

In the enabling powers of bills themselves and as affecting the regulations that will be drafted and inspected by the Privy Council and the Deputy Minister of Justice, those criteria I hope will be binding internally and I will advance them within the framework of the recommendations. Hon. members can weigh what I am saying by referring to the statement that the then President of the Privy Council, now the Minister of National Defence (Mr. Macdonald), made when he appeared on behalf of the government before the Special Committee on Statutory Instruments. That statement can be found in the evidence of the committee.

I hope that will deal satisfactorily with the remarks made this afternoon by the hon. member for Peace River and the hon. member for Edmonton West (Mr. Lambert), who was re-establishing the argument that he made in presenting his amendment at the report stage. I have nothing further to add except to say that he, and to a certain extent the hon. member for Peace River, feel that the scrutiny committee ought to be under an umbrella set forth in the statute itself. I believe the scrutiny committee ought to be governed by the Standing Orders of the House. But that is a matter for this House or the other place if it is a joint committee. That is basically the difference in our views.

Dealing now with the amendment of the hon. member for Selkirk (Mr. Rowland), supported by the hon. member for Greenwood (Mr. Brewin), it is true that the hon. member for Greenwood did present an amendment to the standing committee. I dealt with the argument as to why those exemptions were what they were, and what the government's philosophy was in widening the exemptions beyond those established in the report. It is true that the special committee said the exemptions should merely be limited to national security, but we widened them and the reasons are found in the evidence given to the standing committee.

The hon. member for Selkirk made a valid point, that the problem of exemptions as such is that the scrutiny committee might not know what regulations have been exempted because there will be no record. All regulations for statutory instruments will go to the scrutiny committee, except those regulations that have been exempted from inspection by the public. They are limited to the criteria for international relations, federal-provincial relations, security and where they affect individual rights or involve specific classes of people or individuals found within clause 27 of the bill.

The regulations providing for the class of regulations that are to be exempt will be sent to the scrutiny committee. That committee will have before it the criteria as to the type of regulations which in future will be exempt. I think it is a matter for the scrutiny committee, the government and individual departments to work out from time to time. The hon. member has a valid point. There is no way of curing that when you get to matters which relate to security, and so on. We went through that intellectual exercise internally and did not come up with a satisfactory solution. But the committee will have the regulations under which exemptions are made.

• (6:00 p.m.)

In conclusion, I thank the House and hon. members for this constructive debate in which the highlights of the bill have been tested. Although privately hon. members, I think, concede that this is a step forward, I think that the bill will provide, in terms more optimistic than some hon. members are willing to concede, for a more open society for Canadians through their representatives in the House of Commons.

Mr. Baldwin: Mr. Speaker, may I be permitted to talk for a minute, because we have almost concluded our business? I made the statement that I did at the beginning of the debate because I felt that the bill did not include some necessary provisions. I obtained what I wanted from the minister, and thus I except him from the role that I ascribed to his colleagues. That, of course, does not apply to all of them. I see a smile on the face of the Minister of Energy, Mines and Resources (Mr. Greene). You can never tell what he is thinking.

The minister's statement did not go as far as I should have liked. He did not say, "Being instructed by the executive, by the cabinet, I am going to do so and so." He said, instead, "I intend to try and secure this." I know how much trouble he must have had, how much in the way of blood, sweat, tears and blows, and how much pressure he had to exert in order to get as far as he did with some of his stubborn and difficult colleagues. I accept his statements at face value and say that this statute when passed will constitute a real monument in our dealings and those of the people of Canada with regard to problems caused by the tremendous number of regulations with which ordinary people have to deal.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise simply on a point of order. My purpose is to confirm what the Minister of Justice (Mr. Turner) said a few moments ago. We should like to have a recorded vote on the amendment moved by the hon. member for Selkirk (Mr. Rowland) but we are prepared to allow the debate to end at this point and to make the formal request for a vote tomorrow. We should like a House order saying that the vote will be taken as the first item of business tomorrow.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, would that include the vote on the amendment of the hon. member for Selkirk and, if necessary, the vote on third reading?

Mr. Knowles (Winnipeg North Centre): As far as we are concerned, yes.

The Acting Speaker (Mr. Richard): Is it agreed that the debate be now terminated and that the question on the amendment and the question on third reading of the bill be put tomorrow when Orders of the Day are reached?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): It being past six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 6.06 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 11, 1971

The House met at 2 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-3, an act respecting investment companies, with amendments, to which the concurrence of this House is desired.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which reads as follows:

Government House
Ottawa, 11 March, 1971

Sir,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 11th of March, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Twelfth report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages.—Mr. Kaplan.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

OPINION OF PRICES AND INCOMES COMMISSION CHAIRMAN THAT JOB PROGRAM MAY BE INFLATIONARY—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I hope I may induce the Minister of Finance to come into the House as I should like to direct a question to him.

Some hon. Members: We want Ben!

Mr. Paproski: We want Bad Ben!

Mr. Baldwin: Here he comes carrying his brown paper with him.

Mr. Stanfield: I would not want the minister to feel unwanted, Mr. Speaker. I should like to ask whether the Prices and Incomes Commission has advised the government of Canada against a program to create jobs at this time in view of the possibility of this being inflationary and in view of the fact that even if the government did accept the inflationary risk and changed its fiscal policy it would not have any effect on the job picture for about 18 months? Has the chairman of the Prices and Incomes Commission given this advice to the government that he has given to the people of Canada?

Hon. E. J. Benson (Minister of Finance): Not to me, Mr. Speaker.

Mr. Stanfield: Is it the view of the government of Canada that in fact a program to create jobs would be inflationary, would not affect the job picture for 18 months in any event and that the only course for those who are impatient is to support local community projects to help those who are suffering from unemployment, as the chairman of the Prices and Incomes Commission said in Toronto?

Mr. Benson: Mr. Speaker, no, that is not the opinion of the government.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of the warning about inflation given by the chairman of the Prices and Incomes Commission in Toronto recently, has the government considered how it can stimulate the economy to produce the level of employment which we want, and must have,

without, as the chairman has warned, bringing back the high level of inflation we experienced a year ago?

Mr. Benson: Yes, Mr. Speaker.

Mr. Hees: When may we expect the government to outline the policies that it expects to follow in this regard and to begin implementing them?

Mr. Benson: Mr. Speaker, if my hon. friend would read my speeches, he would see this.

Some hon. Members: Oh, oh!

Mr. Hees: On a point of order, Mr. Speaker, I have read the minister's speeches and they do not outline how he intends to deal with this matter.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, since the minister has repudiated the views publicly expressed by the Chairman of the Prices and Incomes Commission, may I ask whether the commission and its chairman continue to enjoy the confidence of the Minister of Finance?

Mr. Benson: Mr. Speaker, I think that the Prices and Incomes Commission has served a very useful purpose for the past 15 months in Canada, as is evidenced by the fact that the rate of inflation in Canada has been much lower than that of any other western country. I respect the Chairman of the commission and—

Mr. Diefenbaker: Our unemployment has also been much higher than anybody else's.

Mr. Benson: —I appreciate his point of view, but he was not necessarily expressing the government's view. He is an independent commissioner and can express his own opinion.

Mr. Hees: There is no government view to express.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, may I ask the Minister of Finance whether the Prices and Incomes Commission is there for decoration or to give advice to the government?

Mr. Benson: Mr. Speaker, the Prices and Incomes Commission is free to give advice to the government. The government can accept or reject the advice. I have not read the particular speech that my hon. friend speaks of, but I will be pleased to read it and to digest everything that was said by the chairman.

Mr. Baldwin: The minister should be careful. It may give him indigestion.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I think I should bring to Your Honour's attention that on Thursdays, under the roster system which members of the opposition do not endorse, seven ministers are to be absent. Today seven other ministers are absent as well making a total of 14, if one includes the Prime Minister, who are absent. I do not know how we can carry on an intelligent question period in the circumstances. I see that the Minister of Justice has just come in.

Mr. Laing: On a question of privilege, Mr. Speaker, the Prime Minister is accepting an invitation from the chairman and mayors of Metropolitan Toronto to see them today.

Some hon. Members: Hear, hear!

Mr. Nesbitt: Why do that at two o'clock?

Mr. Laing: He is accompanied at that meeting by the Minister of National Defence, the Minister of National Health and Welfare, the minister in charge of housing and the minister responsible for Information Canada.

Some hon. Members: Hear, hear!

Mr. Laing: Mr. Speaker, in light of the representations we have heard for the last several weeks from the other side of the House in respect of—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Woolliams: Mr. Speaker, may I—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wonder whether the hon. member has not made his point. The Acting Prime Minister has risen on a question of privilege. I wonder whether the matter should be pursued. I have some doubts whether it would be very helpful. Perhaps, for the moment, the Chair might recognize the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Woolliams: Mr. Speaker, with the greatest of respect, there is probably a reason for the Prime Minister's absence, but surely he could arrange his timetable differently so as not to hold a cabinet meeting during the question period, or at the very least he could inform the House. It is all very well for the minister who has just spoken to whitewash the thing, but there would have been 14 cabinet ministers absent if the Minister of Justice had not just come into the House. I do not think the whitewash by the Acting Prime Minister has added to the decorum of business in this place.

Some hon. Members: Hear, hear!

* * *

FINANCE

STEPS TO ENSURE THAT CANADIAN DOLLAR WILL NOT EXCEED PARITY WITH UNITED STATES DOLLAR—FOREIGN EXCHANGE RESERVES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of

Finance arising out of the continuing upward pressure on the Canadian dollar and the distinct possibility it may reach or exceed parity with the American dollar. In view of the serious, adverse effects this will have upon the export industries of this country and the employment situation, what steps is the government taking to ensure that the Canadian dollar will not exceed parity with the American dollar? Is the minister considering such matters as the possibility of reducing interest rates or expanding the money supply? What steps is the government taking to meet this situation which may be upon us very soon?

Hon. E. J. Benson (Minister of Finance): If the hon. member recalls, interest rates were reduced about ten days ago. I believe that in the past the hon. member has been a very strong advocate of a floating dollar in Canada.

Mr. Douglas: The minister is talking about a floating dollar. One of the reasons for unpegging the dollar was that it would prevent tying up large sums of money in foreign currency reserves. Since we have reserves of some $4.85 billion which are not being used effectively, what steps is the government taking to reduce these very large reserves which Canada is holding at the present time, such as the purchase of Canadian securities in the hands of persons in the United States?

Mr. Benson: Mr. Speaker, the use of the foreign exchange reserves is, as the hon. member knows, quite limited by parliamentary action. I really cannot add anything beyond that.

Mr. Douglas: Am I to assume from the minister's answer that despite the fact that some banks in the United States today have further reduced their prime rate the Minister of Finance intends to take no action at all with respect to the upward pressure on the Canadian dollar and no steps with regard to the very large foreign reserves which we are building up in this country?

Mr. Benson: No, Mr. Speaker. The hon. member is not entitled to make such an assumption.

Hon. D. S. Harkness (Calgary Centre): I wish to ask the Minister of Finance whether the government is prepared to allow the Canadian dollar to go to a five-cent premium over the American dollar, which is predicted by a leading economist as a likely development unless the government takes some action?

Mr. Benson: Mr. Speaker, it is not usual in the House of Commons for the Minister of Finance to indicate what action is to be taken with regard to the level of the Canadian dollar.

Mr. Max Saltsman (Waterloo): I have a supplementary question for the Minister of Finance. In view of the rather tantalizing suggestion the minister made in reply to my leader's question that he is limited as to the use of foreign exchange reserves, as he feels there is such a limitation on the use of the foreign exchange reserves is it his intention to come to Parliament and ask that this be changed?

Mr. Benson: If I had any such intention, Mr. Speaker, I would make it known to Parliament in the usual way.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I was interested in the statement made a few moments ago by the Minister of Finance to the effect that if answers are required to questions asked in the House we should read his speeches. Will the minister table these speeches? I have not read them previously because I only read for interest or profit.

Mr. Speaker: Order, please.

TAX ADVANTAGE OF UNITED STATES INVESTORS IN CANADA

Mr. W. B. Nesbitt (Oxford): A supplementary question to the Minister of Finance. Will the minister take steps to remove the tax advantage which American investors possess when making investments in Canada as compared with Canadians investing in their own country?

Hon. E. J. Benson (Minister of Finance): First, in answer to the right hon. member for Prince Albert may I say that I read all his speeches. Second—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Diefenbaker: I am glad to hear that. I would have expected some action.

[*Later:*]

Mr. Nesbitt: On a point of order, with reference to the question I put to the Minister of Finance a few minutes ago, Mr. Speaker, the minister rose to his feet and said he wished first to reply to my right hon. friend from Prince Albert. As he began to answer my question there was a certain amount of uproar in the House and perhaps Your Honour did not see him.

Mr. Speaker: I was looking in another direction. Perhaps the minister might be allowed to reply to the question asked by the hon. member for Oxford.

Mr. Benson: As I have pointed out previously, this is an extremely complicated question; it is one which was asked by the Leader of the Opposition some time ago and I replied to it at that time. The position is partly alleviated by the proposals in the white paper on tax reform, and I trust all hon. members opposite will support the proposals that will ultimately be brought forward by the government with respect to tax reform.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

PROVISION OF DOCKING FACILITIES AT COME-BY-CHANCE, NFLD.

Mr. Walter C. Carter (St. John's West): May I address a question to the Minister of Regional Economic Expansion. On Friday, February 25, I inquired concerning the status of the proposal to build dock facilities at Come-By-Chance and whether public tenders would be called. Is the minister now in a position to reply?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I believe this project is under the jurisdiction of the Minister of Public Works.

Mr. Carter: Then may I direct the question to the Minister of Public Works?

Hon. Arthur Laing (Minister of Public Works): In respect of the proposal to build a dock at Come-By-Chance, negotiations are still proceeding. At the present time they cannot be regarded as complete.

* * *

OIL

USE OF MADE-IN-CANADA DRILLING EQUIPMENT OFF ATLANTIC COAST

Mr. Lloyd R. Crouse (South Shore): I wish to direct my question to the Minister of Industry, Trade and Commerce. Is the federal government considering a made-in-Canada rule to govern the equipment and apparatus used in oil drilling off the Atlantic coast and, if so, when may we expect the details of this policy to be made public?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Not to my knowledge, Mr. Speaker, but I will inquire and report to the House if I am wrong in assuming there is no such consideration.

* * *

[*Translation*]

FINANCE

RE-ESTABLISHMENT OF FIXED EXCHANGE RATE FOR CANADIAN DOLLAR—REPRESENTATIONS BY INTERNATIONAL FINANCIAL AUTHORITIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Finance.

Have international financial authorities recently been in touch with the Canadian government with a view to pegging the Canadian dollar?

[*English*]

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

[Mr. Benson.]

[*Translation*]

Mr. Speaker: Does the hon. member for Richmond wish to ask a supplementary question?

Mr. Beaudoin: Yes, Mr. Speaker,

What position does the Canadian government intend to take if the Canadian dollar continues to rise above the exchange rate of the American dollar?

Mr. Speaker: The hon. member will agree that the question has been asked earlier. I would not know if the minister has given a satisfactory reply to the hon. member who asked it, but, anyway, it has already been asked.

[*English*]

USE OF WAGE AND PRICE CONTROLS TO PREVENT INFLATION

Mr. Paul Yewchuk (Athabasca): My question is addressed to the Minister of Finance. Can the minister tell us whether the government intends, in order to prevent a recurrence of inflation, to bring in compulsory wage and price controls?

Hon. E. J. Benson (Minister of Finance): This is a hypothetical question.

* * *

TRADE

ACTION TO INCREASE EXPORTS OF MANUFACTURED PRODUCTS

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that exports of manufactured products, which are the products that produce the jobs, are 5½ per cent lower so far this year than they were in the same period last year, following a year in which the rise was very small indeed, will the minister take the first opportunity on motions to outline to the House what steps, in addition to the single development loan he signed recently with Argentina, he and his department intend to take to reverse this trend?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I expected this question and I had this subject thoroughly analysed. The report I have, which I will share with my hon. friend if he so wishes, indicates that exports for the first two months have been very good. There has been in particular, a revival in Canadian exports to the United States.

Mr. Hees: I am talking about manufactured goods. Answer my question.

Mr. Pepin: I will. This development reflected in particular a resurgence in the export of motor vehicles to the United States following the major strike at the end of 1970. The study made by professional economists con-

cludes by saying that present trends will be reflected in a higher ratio of end products in our total exports for 1971.

Mr. Hees: Is the minister aware that our total exports this year are down 3½ per cent? How can he claim that this is a good and satisfactory picture?

Mr. Speaker: Order, please. I suggest this is a debate between the hon. member and the minister.

* * *

INDUSTRY

CHEMCELL LIMITED—ARRANGEMENTS TO AVERT LAY-OFFS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce arising out of the announced lay-offs by Chemcell Industries and his answer relayed to me on March 4. In view of the consultations which the minister indicated were taking place between officials of Chemcell and representatives of his department, is the minister in a position to indicate to the House whether any suitable arrangements have been made or negotiated with a view to averting the mass lay-offs announced by Chemcell?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, conversations did take place and a full explanation was provided by the company. It is not government policy to prevent a closure when a company makes an assessment that this is necessitated by factors of international trade, as in the present case. The government is not now, nor might it ever be, in a position to tell companies to remain open when the assessment of owners of the company is that it should not.

Mr. Mazankowski: In view of the fact that the federal government has indicated to the premier of Alberta that the problems which have developed in the chemical industry, particularly with respect to Chemcell in the province of Alberta, are problems of a federal nature, can the minister indicate whether the government is prepared to accept responsibility and provide an equitable solution?

Mr. Pepin: Mr. Speaker, in my previous answer I indicated that the main reason for the partial closure of this plant was international trade. It is apparently the case that our petrochemical plants are not as big as they should be to be internationally truly competitive, and this is because of the limited size of the Canadian market. We are working on this problem at the moment.

Mr. Mazankowski: A further supplementary to the Minister of Regional Economic Expansion. Would the minister indicate to the House whether the government of Alberta has been in touch with his department in regard to the consideration of a special joint program to deal with the loss of jobs created by the announced lay-offs by Chemcell?

Inquiries of the Ministry

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Not to my knowledge, Mr. Speaker, but I shall look into it.

* * *

[*English*]

THE CENSUS

SUGGESTED EMPLOYMENT OF STUDENTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Last week I asked the minister whether he would look into the question of student hirings and he indicated he would have something to say on that matter.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, I did. I am informed that there will be 2,700 processing clerks jobs in Ottawa with Statistics Canada for the census of 1971. These jobs will be for approximately 13 weeks. These positions are to be filled through the Canada Manpower offices on university campuses. I would advise my hon. friend and other members of the House to tell students requesting jobs to go to these offices. There will also be 700 or 800 other census jobs which will be for a shorter period of time.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—RELEASE OF MONTHLY FIGURES BY BUREAU OF STATISTICS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary or perhaps a related question. In view of the fact that during the last several months unemployment statistics have been released by DBS by the tenth or eleventh of the month, can the minister say when we may expect the release of this month's figures, and can he also indicate whether trouble with any new formula has been experienced?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I do not expect so. I have not been informed of any difficulty and I expect the usual timetable will be followed. If there is difficulty somewhere I will find out and report.

* * *

ENERGY

POSSIBLE MACKENZIE VALLEY PIPELINE—USE OF CANADIAN LABOUR, EQUIPMENT AND MATERIALS—DISCUSSIONS WITH SASKATCHEWAN AND ALBERTA

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Normally I would have put

it to the Minister of Indian Affairs and Northern Development but he is not here. As the Minister of Indian Affairs and Northern Development has stated that the government would entertain a United States project to build a pipeline down the Mackenzie Valley through the Prairies, has the Canadian government set down terms under which Canadian labour, equipment and pipeline supplies will be used if such a project is undertaken by the United States?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I think the guidelines issued last August, which represent the government's position in respect of a pipeline, were very clear in this respect. Guideline number one, I believe, indicates there will be a clear preference for maximum Canadian content in any application that is made in respect of the construction of a pipeline.

Mr. Woolliams: Mr. Speaker, is the minister in a position to advise us whether there have been any discussions with the governments of Alberta and Saskatchewan in reference to their position regarding such a pipeline which will go through their territory, and have there been any guarantees given to these two provincial governments that producers of natural gas and crude petroleum in those provinces will get a share of the oil flow going to the United States or elsewhere in Canada?

Mr. Greene: There have been discussions of a general nature with the governments of both Alberta and Saskatchewan but not in respect of the specifics of a proposed pipeline. Until there is an application we cannot indicate to the provinces exactly what might be their interests and what might be the resolution in respect of their property rights.

Mr. Woolliams: In view of the fact that the Minister of Indian Affairs and Northern Development has said to the United States that the government would likely entertain such an application for the construction of a pipeline by the United States, does the minister not consider that, because of the jurisdiction of the two Prairie provinces I mentioned, some form of discussion should be had now with them before any further suggestion is made to or negotiations carried on with the United States? I ask this question in view of the fact that this proposed pipeline will go through the territory of the two Prairie provinces.

Mr. Greene: Mr. Speaker, in the normal course when there is an application in respect of the building of a pipeline the provinces are represented at the hearing before the National Energy Board. They make their cases very clearly and their viewpoints are always considered. It may well be that in a matter of this national importance, and because of the fact this will be such a tremendous economic undertaking to the benefit of Canada, if it goes ahead, there should be earlier discussion. We are certainly prepared to consider that at the appropriate time.

[Mr. Woolliams.]

POSSIBLE MACKENZIE VALLEY PIPELINE—ECOLOGICAL STUDIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, some time ago the Minister of Energy, Mines and Resources said that an application for the construction of such a pipeline would be considered by the National Energy Board and that it has the responsibility for ensuring the safety of the ecology. I should like to ask the minister whether the National Energy Board has carried out ecological studies and has the necessary staff to do so, or whether it will use the surveys which have been made by the Department of Indian Affairs and Northern Development?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, there is a very clear emphasis placed on the ecological safety of such a line. The National Energy Board has very competent engineers who consider these questions on a continuing basis. The private sector, both at Normal Wells in respect of a gas line and at Inuvik in respect of an oil line, are doing very comprehensive research. The Department of Indian Affairs and Northern Development has a very clear responsibility, which it has undertaken, as enunciated again by the guidelines of last August. That department is responsible for the area in the territories, and the entire federal government responsibility in respect of ecology is being correlated by an interdepartmental committee on the ecological safety of pipelines in the north.

Mr. Speaker: Order. Hon. members will notice that there are at least four hon. members seeking the opportunity to ask supplementary questions on this matter. Very shortly we will be running out of time, and I wonder whether we should spend another five or ten minutes on this important subject. For the moment the Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas: Mr. Speaker, in view of the fact that the National Energy Board Act deals mainly with safety and makes no reference to the protection of the ecology, although a broad interpretation could be placed on the words "safety and public interest", can the minister assure the House that all the research which has been carried out and will continue to be done in respect of the ecology of the north will be placed before the National Energy Board when this application is heard, in the event that such an application is made?

Mr. Greene: Mr. Speaker, in the first instance I believe that in accord with the guidelines the ecological question will have to be considered and approved by the Department of Indian Affairs and Northern Development. That department has the primary ecological responsibility. The evidence of the department's findings and its views would then be placed before the board. As my hon. friend has pointed out, the actual wording of the National Energy Board Act refers to safety and the public interest. It may well be a valid suggestion that the Act

should be amended to make specific reference to pollution and ecology.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question—

Mr. Speaker: Order, please. I regret to interrupt, but the hon. member for South Western Nova is rising on a point of order.

[*English*]

Mr. Comeau: Mr. Speaker, I rise on a point of order. I suggest there are many supplementary questions because of the existence of the roster system in the House.

Some hon. Members: Oh, oh!

Mr. Comeau: Because of the roster system we are only permitted to ask questions of certain ministers on certain days. This is why we have so many supplementary questions.

Some hon. Members: Hear, hear!

Mr. Speaker: I do not quarrel with the point made by the hon. member, but there still has to be some limitation. Hon. members will realize that the discretion is left in the hands of the Speaker. I see a number of other members to my left who have been trying to ask questions for two days. If I consulted them I am sure they would recognize, as I do, that although the matter on which questions are now being asked is very important there are other important matters on which they would like to direct questions to the government, with or without the roster system.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

MONTMAGNY, QUE.—DESIGNATION AS SPECIAL AREA

Mr. Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

I would like to ask him whether he is aware of a resolution of the municipal council of the city of Montmagny mentioning the intense unemployment situation in Montmagny and the neighbouring region and asking that Montmagny and its suburbs be designated as special zones, or else be included in a new development program to be set up as early as possible.

I would also ask the minister whether he has taken action on this request. If so, could he tell the House what steps will be taken to cope effectively with this request which, in my opinion, is quite justified?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, Montmagny is included in a designated area, which means that industries wishing to locate there are entitled to subsidies from my department. In spite of that, not many new industries have settled in that locality. I do not think that the fact of making Montmagny a special area would greatly alter the situation.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question.

Would the Minister of Regional Economic Expansion tell us if he has received such a request from the authorities of the town of Montmagny?

Mr. Marchand (Langelier): Mr. Speaker, I recall having read a resolution from the council of the Town of Montmagny. I would have to read it again to be sure if such a request was contained in the resolution.

Mr. Lambert (Bellechasse): I should like to put a supplementary question, Mr. Speaker.

I did understand the explanations of the hon. minister regarding designated areas, but my question is as follows: Since the minister has introduced a legislation, which was passed by the way, to benefit certain regions which have been labelled "special areas" and under which municipal councils may draw financial advantages for certain public utility projects, would he be prepared to answer favourably the request put in by the municipal council of Montmagny?

Mr. Marchand (Langelier): Mr. Speaker, we have received a great number of applications from several municipalities in Canada. We shall soon review our program, probably this year, and see whether in the order of priorities Montmagny or some other centre must be selected.

* * *

[*English*]

FISHERIES

PREVENTION OF FISHING BY FOREIGN SHIPS WITHIN 12-MILE LIMIT—REPORTED VIOLATIONS—PATROL MEASURES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Fisheries and Forestry. Would the minister advise whether he has had any reports from his officials in southwestern Newfoundland indicating there have been violations of the 12-mile limit by foreign draggers?

Hon. Jack Davis (Minister of Fisheries and Forestry): I have not had any reports, Mr. Speaker.

Mr. Marshall: In view of the fact that reports emanating from Newfoundland fishermen indicate that foreign draggers are fishing within three miles off Cape Ray and Cape Anguille, and since it is now obvious that they are ignoring the declaration of the 12-mile limit north of Cape Ray, would the minister advise what action he now intends to take to enforce the declaration and finally resolve the problem?

Inquiries of the Ministry

Mr. Davis: Mr. Speaker, in view of the fact that we have several fisheries protection vessels in the area and as it is also being continuously overflown by Department of National Defence aircraft, I have reason to doubt very much the reports allegedly made by inshore fishermen.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, since reports from lighthouse keepers and other persons in the area indicate that most of the fishing within the 12-mile limit is carried out after dark, can the minister say if he has any night patrol? If not, are there any plans to bring about a night patrol in an effort to enforce the 12-mile limit?

Mr. Davis: Yes, we do have a night patrol.

[*Later:*]

Mr. Speaker: I believe the hon. member for Gander-Twillingate is rising on a point of order.

Mr. Lundrigan: Mr. Speaker, this is not in any way intended to obstruct the business of the House, but we have had official reports from fishermen and lighthouse keepers about the very critical problem off the southwestern shore of Newfoundland at Cape Ray and the minister in his statement seemed to question the credibility of the reports and therefore of our fishermen. I think he should make a clarifying statement and guarantee that there will be a stepping up of activity by his department to try to identify the nature of the reports, which are also broadcast on the CBC.

Mr. Speaker: Order, please. That is hardly a point of order. The hon. member has asked what is perhaps a supplementary question. The minister might be allowed to reply to that part of the question asking whether he would make a statement.

Mr. Davis: Mr. Speaker, I really do not know what to say. The allegation is that individual fishermen, in the dark of night, have seen vessels either just inside or just outside the 12-mile limit. I cannot comment on that.

* * *

ENERGY

STUDY OF EASTERN CANADA'S FUTURE GAS REQUIREMENTS

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources if I can get his attention. In view of the fact that Trans-Canada's gas pipeline is operating at 98 per cent of capacity and in view of the fact that Trans-Canada Pipe Lines is asking for an increase in the price of gas to consumers in eastern Canada, is the minister making a study of the future needs in respect of this form of energy in eastern Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I think there is continuing study and there was a very comprehensive study published a year ago last December, I believe, in respect of the future needs and future supplies that were available.

[Mr. Marshall.]

I do not want to comment on the matter before the National Energy Board, which is really *sub judice,* but I believe the need will be met by continually increasing availability of the pipeline. I think the inherent question is whether or not the price of gas is sufficiently high to enable such a pipeline to be underwritten. That is the basis of the application.

* * *

[*Translation*]

PUBLIC SERVICE

INCREASE OF FRANCOPHONES IN SENIOR POSITIONS, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Can he tell us whether it is true that the heads of his department are reviewing the higher positions in order to have more French-speaking Canadians with salaries over $18,000 per year.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the press reported yesterday that I had unduly intervened to increase the number of French-speaking Canadians in my department. This allegation is now being considered by the Department of Labour and the investigation will follow the normal course of procedure taken by that department.

The last time this charge was made against me, it had been said that it was more difficult for someone who was not French-speaking to be hired by my department than for a Jew to become a Pope. However, at that time, my executive assistant was a Canadian of Jewish origin.

* * *

[*English*]

GRAIN

AVAILABILITY OF "SPAN" RAPESEED

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture in connection with the special rapeseed known as "Span" now being reproduced in the Imperial Valley in California for Canada. In view of the great importance of the rape crop to our western economy, can the minister assure us that this special rapeseed will be available in time for spring planting?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the whole idea of renting some land in southern California was to increase the seed during the winter months so as to have enough seed available for the seed growers in Canada to again increase the supply during 1971, as well as to have a reasonable quantity available for crushing into oil to do the research and testing that is necessary on the oil.

UNEMPLOYMENT INSURANCE

RECOVERING OF INCREASE FOR CAPE BRETON MINERS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Labour. Would the minister report any progress he has made in recovering the recent 10 per cent increase in unemployment insurance on behalf of the Cape Breton miners?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I have never made any effort to recover it. I think the question should be best directed to the appropriate minister, the Minister of Regional Economic Expansion, who could explain in all probability that the 10 per cent unemployment insurance increase will be reflected in increased benefits to the miners.

Mr. MacInnis: On a point of order, Mr. Speaker, I am not too sure I heard the minister right. Did he refer to 2 per cent? I am speaking of the 10 per cent made available on January 3, 1971. My question is directed to the minister who has jurisdiction over that department. No other minister is permitted by the rules of the House to answer for the Unemployment Insurance Commission.

Mr. Mackasey: Mr. Speaker, I can say simply that anybody entitled to unemployment insurance benefits anywhere in Canada at the present time is receiving the additional 10 per cent that was spelled out in December.

Mr. MacInnis: I have a further supplementary, Mr. Speaker. Can the minister assure the House that the UIC funds made available to the men are being distributed to their advantage or have they been taken over under some scheme by a Crown corporation that will deprive them of this increase?

Mr. Mackasey: Mr. Speaker, if this fund is being used improperly or immorally by a Crown corporation and the Crown corporation is the one to which the hon. member appears to be referring, then I suggest that he refer the question to the appropriate minister.

Mr. Speaker: Order, please. The Chair will allow the hon. member a further supplementary, but we are running short of time.

Mr. MacInnis: Mr. Speaker, I should like to ask the minister, regardless of whether it is improper or immoral, whether he would care to see me after the question period when I will produce the written evidence which has been signed by the minister himself.

Mr. Speaker: Order, please. The hon. member for Surrey.

Mr. MacInnis: On a question of privilege—

Mr. Speaker: I apologize to the hon. member for Surrey. I will recognize him in a moment, I hope.

Mr. MacInnis: Mr. Speaker, my point of privilege arises from the question of morality the minister brought into this particular situation. I see no reason the minister should be allowed to get away with the answer because I

can give him the written evidence signed by the minister himself—

Mr. Speaker: Order, please. I suggest this matter might be discussed, as the hon. member suggested, privately between the minister and the hon. member.

* * *

CONSUMER AFFAIRS

MARK 10 CIGARETTE COUPON PROMOTION

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Minister of Justice. Is the minister aware of the coupon give-away by Mark 10 cigarettes in which the company undertakes to provide a coloured television set to anyone who turns in 88,000 coupons, which at one coupon per pack per day would require that a person smoke these cigarettes for 243 years?

Mr. Speaker: Order, please. Perhaps this is the type of question which might better be considered at the time of adjournment.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

MONTREAL—ASSISTANCE IN CERTAIN FIELDS

Mr. Pierre De Bané (Matane): Mr. Speaker, I would like to ask the Minister of Regional Economic Expansion if, considering the serious social problems of the city of Montreal, he could reassure the House that the federal government will not in any way get involved in prestige projects of the Olympic Games, but that it will instead help the city in other much more urgent areas, which would be of more benefit to the citizens of Montreal?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I believe this question should probably be directed to the Minister of National Health and Welfare. At any rate, the federal government has not undertaken to give any amount of money to the city of Montreal.

* * *

[*English*]

HEALTH

PRESENCE OF CANCER CAUSING SUBSTANCE, DEMETHYL-NITROSAMINE, IN FOOD

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in the absence of both the Minister of National Health and Welfare and his parliamentary secretary, I will address this question to the Minister of Public Works, the Acting Prime Minister. In view of the recent revelation that the cancer causing substance, demethyl-nitrosamine, has been found in such foods as bacon, sausages and mushrooms,

would the Acting Prime Minister convey to the Minister of National Health and Welfare the great concern of the public using those foods and perhaps suggest to the minister that he make a statement on Monday?

* * *

STATUS OF WOMEN

DESIGNATION OF MINISTER TO CO-ORDINATE IMPLEMENTATION OF COMMISSION RECOMMENDATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Acting Prime Minister and perhaps he will want to refer it to the Prime Minister. In view of the fact that the Minister without Portfolio (Mr. Andras), speaking in the debate last Tuesday on the status of women, indicated that the government might be willing to designate a minister of the Crown to co-ordinate the implementation of the royal commission's recommendations, can the Acting Prime Minister tell the House if this action will be taken and when it will be taken?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I thank the hon. member for his interest and I promise him that I will draw this matter to the attention of the Prime Minister.

* * *

REGIONAL ECONOMIC EXPANSION

STEPS RESPECTING IMPLEMENTATION OF INCENTIVES PROGRAM IN LIGHT OF CRITICISMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Minister of Regional Economic Expansion. In view of criticisms levelled at the regional industrial incentives program by the Industrial Developers Association of Canada at their recent meeting in Toronto and the criticisms also expressed by leading mayors across the country that the Act is not properly co-ordinated and is not fulfilling its function, as further substantiated by the disparity in the dispensing of funds under the program, can the minister tell the House what steps he is taking to ensure that this program is being carried out as Parliament intended?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will be rather brief in replying to this speech. I oppose the criticism expressed, as we are trying in fact to distribute money in keeping with the employment situation in each region of Canada.

[*English*]

Mr. McGrath: May I ask the minister if he intends to take some new initiatives in the light of the experience with the program, to ensure that the funds are more equitably distributed on the basis of provinces?

[Mr. Rynard.]

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I believe that funds must be distributed according to the employment level and not necessarily according to the number of provinces.

[*English*]

Mr. McGrath: That is precisely what I meant.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, may I ask the President of the Privy Council, the government House leader, about the business for the rest of this week and next week? At the same time, in view of the great interest shown in the question of the transportation of Arctic oil to the south, may I ask him whether the government is considering setting aside a day for debating this very important issue?

Mr. MacEachen: Mr. Speaker, after disposing of the first item on the order paper for consideration today, namely, statutory instruments, we will move to the budget bill, followed by the packaging and labelling measure, textiles, bail reform, Yukon minerals, young offenders, Canada Labour (Standards) Code and the Unemployment Insurance Act amending measure. All these will be called in that order except I would reserve the opportunity on Monday to discuss further with House leaders a possible rearrangement of that order or the continuity of that order. In response to the final part of the hon. member's question, we would like to establish two opposition days next week, probably on Tuesday and Friday, but that also can be discussed.

Mr. Baldwin: On the point raised by the President of the Privy Council, Mr. Speaker, and as the government will not set aside a day, I give him notice that we will be discussing the matter tomorrow.

Mr. Hees: On a point of order, Mr. Speaker, at the beginning of the session today the Acting Prime Minister excused the absence of the Prime Minister and several cabinet ministers because of an important meeting they were having with the mayor of Toronto and members of the Metropolitan Council. If this meeting was sufficiently important to justify the absence of these hon. gentlemen, why was a former mayor of Toronto, the hon. member for York West, not invited to attend because obviously he could have made a very good contribution at that meeting?

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps the hon. member himself might have raised the matter as a question of privilege.

Some hon. Members: Oh, oh!

Mr. Speaker: Orders of the day.

Mr. Dinsdale: Mr. Speaker, I rise on a point of order. I tried to get Your Honour's eye for the past 25 minutes. The reason I rise now is that I want to ask a question of urgent importance to the grain producers of western Canada. It relates—

Mr. Speaker: Order, please. I appreciate the position in which the hon. member is placed. I admit that he has not been recognized during the question period, and unfortunately he is not alone. The hon. member for Hillsborough in particular I was anxious to call today, as well as others, but unfortunately we did run out of time. As a matter of fact, we extended the question period by approximately five minutes. Perhaps the hon. member, by unanimous consent—

Some hon. Members: No.

Mr. Speaker: Apparently there is some difficulty. If the question might wait until tomorrow I can assure the hon. gentleman I will see that he is called immediately we begin the question period. Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

STATUTORY INSTRUMENTS ACT

PROVISION FOR EXAMINATION, PUBLICATION AND SCRUTINY

The House resumed, from Wednesday, March 10, consideration of the motion of Mr. Turner (Ottawa-Carleton) for the third reading of Bill C-182, to provide for the examination, publication and scrutiny of regulations and other statutory instruments, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, and the amendment thereto of Mr. Rowland (p. 4156).

Mr. Speaker: The question is on the amendment.

The House divided on the amendment (Mr. Rowland) which was negatived on the following division:

Division

YEAS

Messrs:

Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Brewin
Burton
Cadieu
Carter
Coates
Code
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas
Downey
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Grills
Gundlock
Hales
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
La Salle
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore
Muir
Nesbitt
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Rodrigue
Rondeau
Ryan
Rynard
Saltsman
Schumacher
Scott
Skoberg
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—82.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Breau
Brown
Buchanan
Cafik
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Crossman
Cyr
Deachman
Deakon
De Bané
Drury
Dupras
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Givens
Goode
Goyer
Gray
Greene
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Kierans
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Murphy
Olson
Orange
Osler
Otto
Ouellet
Penner
Pepin

Income Tax Act

Messrs:

Pringle	St. Pierre
Prud'homme	Sulatycky
Richard	Sullivan
Richardson	Thomas (Maisonneuve-Rosemont)
Roberts	Tolmie
Robinson	Trudeau
Rock	Trudel
Roy (Timmins)	Turner (Ottawa-Carleton)
Roy (Laval)	Walker
Smith (Northumberland-Miramichi)	Watson
Smith (Saint-Jean)	Weatherhead
Stafford	Whelan
Stanbury	Whicher
Stewart (Cochrane)	Whiting
Stewart (Okanagan-Kootenay)	Yanakis—110.

• (3:10 p.m.)

Mr. Speaker: I declare the amendment lost. By special order of the House adopted yesterday, the question on the main motion will now be put.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

* * *

• (3:20 p.m.)

INCOME TAX ACT

The House resumed, from Thursday, March 4, consideration of the motion of Mr. Benson that Bill C-225, to amend the Income Tax Act and to amend an act to amend that act, be read the second time and referred to a Committee of the Whole.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, last Thursday, the House dealt with the amendments we proposed to Bill C-225.

It worries me to see so many members leave the House at this moment because this is an important bill since it seeks to tax Canadians for one more year.

The explanatory notes to clause 2 of Bill C-225 read as follows:

> This amendment would extend for one year the temporary surtaxes imposed under Part IA of the Income Tax Act.
>
> The surtax on an individual is 3 per cent of his "basic tax" in excess of $200. It would be extended to apply to the 1971 taxation year.

And it is also stated:

> The surtax on a corporation is 3 per cent of its tax computed under section 39 or 69 of the Income Tax Act. It would be extended to apply to profits earned in 1971.

The specific and only purpose of this bill is to extend this tax for another year, namely, to April 1, 1972.

I should have liked, Mr. Speaker, to commend the Minister of Finance (Mr. Benson), but as the economic situation in Canada, for which he does not bear the whole responsibility, but the major part of it is very bad, particularly with regard to unemployment, more especially in Quebec. I find that instead of praising him I must tell him that he and his government have failed in attempting to find solutions to the economic problems of Canada.

Mr. Speaker, we are members of the sovereign Parliament of our country which has all the authority required to eliminate any anti-human conditions created by man. This is not a municipal council with no authority to legislate in financial matters. This is the sovereign Parliament which is all-powerful in the field of finance. It is not in a sovereign Parliament such as ours that financial limitations must be discussed. The financial resources of a country may be limited only by its economic resources. If there are financial limitations in a country of unlimited resources such as ours, it is only because there are financial limitations due to the ignorance of those whose responsibility it is to govern the country. The difficulty lies within human brains which are conditioned by ignorance and finance, or are contaminated by them.

Mr. Speaker, the financiers' intellectual constipation is at the basis of all our economic problems.

Recently, the hon. member for Frontenac (Mr. Corriveau), in the only speech he has made in this House since he was elected, taught us a new expression in the economic field. He said that there was a "capitalism of the mind", but he did not explain what was this "capitalism of the mind". I never saw, in any book of political economy, the explanation for "capitalism of the mind".

The hon. member said also that it was necessary to increase our production in order to solve our problems. He should go and say that to the Frontenac farmers, who are presently penalized because they have produced or are still producing too much milk. He should say that to the farmers of western Canada who are in the same position. And immediately afterwards he said we should produce more and sell our surpluses.

Finally he said that there was a puzzle to solve.

Mr. Speaker, if there is a puzzle, it is not where the hon. member for Frontenac and many others think it is, but it is in his imagination, in his head.

You may recall however that the government did and promised everything in order to get that champion of the "capitalism of the mind" elected.

"It should sit at the negotiation table", he told us. What kind of negotiations? Where are their results?

Once more the expectations of the people of Frontenac have been disappointed. The election campaign in the riding is now over, and so are the wild utterances. Let us now look at the only results, which are negative at all levels of the national economy.

Last year, I often happened to listen to a popular program on the Hull radio, which invariably began by the same words: "The world is sick". The speaker, through this remark, unfortunately was reflecting the economic climate in which we live, which the present Minister of Finance (Mr. Benson) complacently enforces on the Canadian people.

Since 1968, we have been witnessing the government's political and economic somersaults and we must recognize that the government, and particularly the Minister of Finance, that financial quack, who is not in the House this afternoon, have no remedy to offer which is likely to solve the country's economic problems and bring Canada back to the prosperity it formerly experienced, so that the people could also live again, because Canadians are still prepared to make the necessary efforts to bring economic prosperity to Canada.

• (3:30 p.m.)

As reported in *Hansard* of December 3, 1970, on page 1743, the Minister of Finance said, and I quote:

—I have no new general tax measures to propose tonight—

That sums up the speech made by the Minister of Finance and this government fiscal policy: "No tax measures to propose". That means we shall continue to suffer our ills and have the same troubles that we have had for the last several years. We shall continue to be economically ill.

This means also that we shall continue to walk blindly, to retreat, to go round in a circle, progressing towards a just society for some, as we have known it, especially in the last few years.

The people, a large proportion of which is unfortunately too easily misled by the government's well-organized propaganda, continue to believe in the financial quackery of the Minister of Finance.

A quack, Mr. Speaker, is a man who is always trying something new and who, when a patient consults him says: Take these white pills; we shall see what happens. When they do not produce the expected result, he will say: Take these pink pills. They contain the same ingredients, only the colour is different. The pink pills having failed, he will be given a new green liquid: Try that, then come and see me again. The quack thus continues his experiments, exploiting the patient who hopes to be cured.

These past 100 years, financial quacks have given us similar results. Who can tell the difference between the liberal taxes and the progressive conservative taxes, between the liberal debts and the progressive conservative debts that have been inflicted upon us for 100 years? What is the difference between "red" and "blue" taxes or between the liberal tax to which we are going to object but which, unfortunately, the government will still pass?

What difference is there between "red" and "blue" crises? Between "red" and "blue" bankruptcies? Between "red and "blue" rationing? Between "red" and "blue" inflation? Between "red" and "blue" misery? Between "red" and "blue" bureaucracy? Between "red and blue" unemployment?

Mr. Speaker, I could keep on indefinitely with the list of these economic ailments under the present system treated by the quack doctors of finance who are interested in keeping Canada and Canadians economically ill, so as to carry on with their practice of financial quackery.

All those who still believe in quacks, such as our present Minister of Finance, and who are still taking red or blue pills, can for a long time to come expect to pay the price of our Canadian economic ills such as those for which we have paid over the last century, since Confederation. I have just mentioned a fair number of them.

From a monetary point of view, we are at the present time living under a humbug system, that of the "taxing machines" of the Minister of Finance, as evidenced by Bill C-255.

Mr. Speaker, this Parliament is a manufacturing plant for a host of bills which tend in the short or long run to slowly but surely fleece the Canadian taxpayer.

Mr. Marchand (Langelier): This is not true.

Mr. Rondeau: If, for instance, we look at the descending curve of private enterprise in Canada since the last war, we can only admit that our governments have failed to protect private enterprise and personal initiative.

Mr. Speaker, Canadians still love their country and have faith in its productive capacity. But because of the tremendous speed at which the government is heading towards a socialist state, private enterprise and the initiative of Canadians are completely, or nearly, paralyzed. Steps can be taken to promote regional economic expansion through the minister (Mr. Marchand)—who is presently in the House—but any accountant or wise businessman knows very well, or can easily ascertain, that the subsidies that the minister grants or has granted in my constituency—and I do not blame him in any way in this regard—constitute, in fact, the financing of the 11 per cent sales tax on the investment of the factories that will be devoloped and the personal income tax that individuals will have to pay during the first six years after the factory has received subsidies. These subsidies are the immediate financing of taxes which will be paid by industrialists and employees of the companies during the first six years.

Mr. Speaker, our economic system shows symptoms of being a sick economic system, which makes social life sick and makes our world become more and more of a sick world, as a Hull radio announcer said every morning for some time.

The quack Minister of Finance is responsible for the circulation of the economic blood, which is money, and responsible also for the quality of this economic blood. Instead of treating our financial anemia, he deals, like every true quack, with the effects of the sick and vitiated economic blood.

Instead of using the Bank of Canada as a monetary reservoir to balance the monetary circulation of the country with its production capacity, he acts like a quack. I keep on repeating this word, because it is very important. The minister acts like a quack or like an amateur mechanic. Instead of fixing the distribution system of fuel from the tank to the carburetor which is defective, like the whole economic system of financial distribution, the Minister of Finance reduces thousands of Canadians to unemployment. He forces some of them

to apply for a pittance to welfare organizations, condemns others to utter misery and compels those who are still able to pay for these social services, to bear a crushing tax burden, they who still believe in the economy and still have some initiative, but who, in their political simplicity—

Mr. Béchard: What solution do you propose?

Mr. Rondeau: The hon. member for Bonaventure (Mr. Béchard) should know because the Creditiste solution has been explained time and again for years. But he has ears and does not hear apparently. We have repeatedly stated in this House that the Bank of Canada should be used to supply our Canadian economic life blood. I am sorry, Mr. Speaker. I keep explaining this to him, but he will not listen to me.

Mr. Béchard: This is not serious.

Mr. Rondeau: Mr. Speaker, the Minister of Finance is getting ready to stifle the Canadian people economically.

What I find most shocking is how the government can, on the one hand, show such ability, through the Minister of Finance, in stifling private enterprise and, on the other hand, thanks to its well planned publicity—and Information Canada will soon confirm this—convince the Canadian people that they are being stifled for their own good.

• (3:40 p.m.)

Unemployment and bankruptcies are the symptoms of an ill-planned economy. The FLQ, in Quebec or elsewhere, is another economic symptom. The millions of people on welfare are yet another economic symptom. The widespread dissent as well as the strikes are as many economic symptoms. And if the Minister of Finance is unable to root out the causes of all our economic ills, either he is a quack or he is party to our economic system which keeps the country and its people in a state of economic illness.

As for me, Mr. Speaker, I believe the Minister of Finance is more a quack than an accomplice. And I feel only pity for the poor Canadian people who will have to pay, in 1971, more than $2 billion in interests on the national public debt, because of a Minister of Finance who does nothing but deprive the people in order to make finance thrive all the more.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I have in hand a copy of Bill C-225 entitled: An act to amend the Income Tax Act and to amend an Act to amend that Act.

The title itself is ambiguous. No doubt this is due to the confusion that existed in Parliament in 1968, when the Liberal partisans, caught off their guard, had to make important concessions to taxpayers and refund overpayments under a legislation which had not yet been passed.

What a contrast between the slowness of the government to seek answers to unemployment and other problems and its undue haste to carry out regulations establishing the right to tax. They are the ones who accuse the members of the Ralliement créditiste of delaying the proceedings of the House. Yet taxpayers are in no hurry to be taxed, either under an amending bill or another legislation such as Bill C-225 now under consideration or any other money-pumping method to get at the generally insufficient income of Canadians.

The moment income tax is mentioned, very few citizens are enthusiastic, except the lackeys of the financial system who do not seem to realize all the problems they are creating for Canadian workers with their taxing gimmick that takes the most different forms they are forced to imagine because of the stupid system they try to defend.

For a long time, various categories of workers, particularly forest workers and others, have been trying to make the Minister of Finance (Mr. Benson) understand that travelling expenses incurred in their search for a job, the purchase of costly tools such as power saws and others should be deductible under the Income Tax Act. No improvement is coming in that regard.

It is only after 20 years of making representations that Canadian workers who were helping red or blue governments ease the unemployment problem by going to work for the forest industry in the United States, particularly in Maine and New Hampshire, that authorities on both sides of the border understood that they should allow those workers to get unemployment benefits when they were out of work. The "tax pumping" system begins to work from the very first working days. In order to please the tax-happy people in the United States Canada and Quebec, the worker who has to work hard to earn a living must file three income tax returns, with all the complications involved. It is therefore easy to understand why the workers revolt at times.

We are living in a period when laws and regulations are being extended for the purpose of maintaining a taxing right, which at the outset was to last only a year. We must therefore condemn such extended taxes. Even though the supporters of such a system do not like to be reminded of the ill effects of their laws and regulations, they must recognize that only indebtedness is making some progress.

I have here an article from the March 9, 1971 edition of *La Presse*, bearing the title: Canadian indebtedness increases. Canada's Minister of Finance keeps on sailing through those stormy circumstances, tossed about by the elements of an artificial financial system, that is creating taxes, debts, unpaid and unpayable, under the present system. By means of the surprising acrobatic stunts he resorts to at times, he succeeds in maintaining the dollar in a floating position.

An hon. Member: It is the last straw.

Mr. Dionne: His rather eccentric behaviour reminds us of the recent enough story of a ship that sailed for some time at random, and was sold later for less than the cost of repairs and painting. Let us hope that the ship of state will succeed in overcoming the imaginary waves of inflation and that it will finally reach a port

where competent engineers will be able to perform the necessary repairs to its rudder.

If we look at the way the government is spending the money which it succeeds in taking from the taxpayers thanks to disguised taxes of all kinds, we quickly agree with the Auditor General about the administrators' blunders.

I have with me an editorial of the CJMS broadcasting station of February 20, 1971, which shows that the taxes paid by the Canadian taxpayers are not always properly used. And I quote:

—In the same week, two facts have come to our attention. Further inquiry might multiply them by ten, twenty and even more. Let us take the case of adult education. Everybody knows that for retraining purposes, a person can be paid $35 to $80 per week depending on family conditions provided he is attending adult training courses. However, do you know that, in Montreal, a part-time teacher is teaching on the Canadian novel to permit workmen aged 20 to 35 and more to obtain the credits they need to complete grade 9 while his own education stopped at grade 8? This teacher is paid $25 per night for a 2-hour course and the others are paid, as we said, to attend such courses which will be useless to them when they get back on the labour market. This is incredible nonsense which shows the lack of seriousness of those responsible for the programming of these courses. And this is done with our money, with taxpayers' money. Another case—

• (3:50 p.m.)

Since he came to Montreal, a German immigrant has first attended French lessons. He was paid to attend. Once the French course was over, he registered for English lessons. Again he is getting paid. When he has acquired a knowledge of English and French, it is possible that he will immigrate this time to the United States, after having lived here two years at the expense of the Canadian taxpayers. All this is not serious. I am prepared to get the publication put out by the federal government and entitled: "How your tax dollar is spent". I am eager to know whether such facts are recorded in that publication. To you, to me, taxpayers, rotating teachers' strikes are costing $50 million. And what about the postal strike? Taxpayers are fed up and rightly so.

The supporters of the Ralliement Créditiste positively state that the purchasing power which is in the hands of Canadian consumers is inadequate to buy Canadian production, taking into account prevailing prices. It is not by taxing them that the problem will be solved.

Although there are many causes to that state of affairs, it is possible to demonstrate easily the validity of that statement.

The banking system is the source of all the Canadian money which is issued in the form of loans. However, the banking system lends money on the sole condition that a larger amount—capital and interest—than that which has been loaned will be paid back. Therefore, when a producer borrows to finance his production, if he is to remain in business, he must include that charge in prices when he sells his product. But since the equivalent of that additional amount has not at any time been distributed as purchasing power to the consumer, it is obvious that the consumer is unable to pay the prices charged by the producer for his products.

In his book entitled *Distribution of Production,* Major Douglas states:

Banks can create money in five minutes and this is what they have been doing for centuries.

On the other hand, Mr. Reginald McKenna, of Great Britain, at the annual meeting of the Midland Bank, on January 25, 1924, had this to say, and I quote:

The amount of money in existence varies only through the action of the banks, as they increase or decrease the deposits. Any bank loan destroys a deposit.

Banks can create and destroy money and bank credit amounts to money. It is with the help of that money that most transactions are being performed and not through what we usually call dollars.

Moreover, I am in agreement with the remarks that Mr. Hawtrey, under-secretary of the treasury in Great Britain, over the B.B.C. network, in London, on March 22, 1933; he asserted his agreement with Major Douglas explicitly:

Moreover, I agree with him (C. H. Douglas) when he says that the banks create money and economic crises are created by the banking system.

When a bank makes a loan, it creates money out of nothing.

In his book *The Art of Central Banking,* the author also says:

When a bank provides a loan, it creates credit. While a loan is being shown as a credit in its books, an equal amount is being registered as a liability.

Finally, Lord Keynes, economist, and during the last world war, governor of the Bank of England, had this to say:

There is no doubt that all bank deposits are created by the banks.

In conclusion, may I quote from the evidence Mr. Graham Towers, governor of the Bank of Canada, gave before the committee on banking and commerce in Ottawa, in 1939:

Each time a bank provides a loan or buys securities, new banking credit is created—new deposits—truly new money. Generally speaking, all new money is created by the banks under the guise of loans.

In 1965, Mr. Paul A. Samuelson, internationally famous economist, in a book that was translated into French under the title *L'économique: techniques modernes de l'analyse économique,* explained how the banks provided an irrefutable answer to the question: Where does the money come from?

Unfortunately, Mr. Speaker, the phenomenon is not too well understood. Most people have heard that, thanks to some sleight-of-hand trick, banks are able to make money out of nothing. Few people, however, realize how that is done. In this regard, I will quote from page 277 of Samuelson's book:

In fact, there is nothing magic or unintelligible about bank deposits. Any intelligent person can follow step by step what happens to bank accounts. The real explanation of the creation of deposits is a simple one. The only difficulty is to understand the false versions which continue to abound.

According to such frivolous explanations, managers of normal banks can, by a stroke of their pens, lend several dollars for each dollar deposited with them. There is nothing surprising about the fact that seasoned bankers see red when accused of such action.

They would surely be only too happy to be able to do this. But they know better than anybody else that no banker can invest funds which are not at his disposal—and any money used to purchase securities or to grant a loan must immediately leave his bank.

This is why bankers often go to the other extreme.

Since a small bank can only create money to a limited extent

They readily maintain that on the whole, the banking system is also unable to coin money. "After all, they say, we can only invest the funds left to us by our customers. We do not create them. We only put the community savings at work." Now, the bankers who put forward this argument are completely mistaken. They have been snared by an old acquaintance of ours, the rhetorical sophism—but we must not forget that what is true for each of us is not necessarily true for all. The banking system on the whole can accomplish what a single bank is unable to do.

We there answer in the affirmative to the question which heads the present section:

CAN BANKS REALLY CREATE MONEY?

Yes, the American banking system and the American public jointly create approximately $5 worth of bank deposits for each dollar taken out of circulation and handed over to the banks.

In the same book, in order to back up his statement, the economist uses four tables starting with the first bank stage and tracing the chain reactions of a $1,000 deposit on the other banks.

This explanation may be understood by all those who are willing to go to the trouble of studying the system thoroughly.

Let us recall the following words of the wisest of statesmen, Abraham Lincoln:

The privilege to create and issue money is not only the sovereign prerogative of a government, it is also the greatest creative power.

Money must circulate for the sake of the country's development, just as if Canada were at war, and we are actually at war against internal foes, that is unemployment and hardship.

If this government really wanted to establish the just society that its leader promised the Canadian people during the 1968 election campaign, it could do so. A serious effort, a simple decision would be enough, and Canadians would be assured of a decent living, of freedom and security, because the two always go together. Our ancestors have fought for those two ideals in order to be able to pass them on to us. Even if the people enjoyed security from the cradle to the grave, as some socialist and communist leaders claim to be able to guarantee, in losing their freedom the people would also lose their soul. There is no happiness in security if one becomes a slave, if one loses one's right to choose.

[Mr. Dionne.]

• (4:00 p.m.)

On the other hand, what kind of happiness may we expect from this freedom of ours if we have lost our security? The one without the other serves no purpose. We can and we must enjoy freedom and security at the same time in a country such as Canada.

Let us consider the vast natural resources with which our country has been blessed by Providence. Let us consider the fertile lands from which we could draw more food than we need. Let us ask ourselves whether there is not enough of this plenty to provide economic security for our whole population for hundreds of years to come? What is preventing us enjoying it all? With more riches per capita than any other country, we should enjoy the highest standard of living in the whole world. Why is it not so? We, Creditistes, maintain without fear of being contradicted, that it is this deteriorated and outmoded financial system controlled by trusts, fostered and supported by stupid politicians, which prevents the nation from distributing the abundance that surrounds us.

To be truly consistent with man's natural aspirations, the real solution will have to be sought in an increased freedom for all individuals, and not in new limitations of the freedoms they have left. Such a solution would in no way be incompatible with the security that governments impose upon us on the grounds that it is the wish of the public. Citizens do demand a minimum of security, but they do not ask for a straightjacket. Security must be confortable and pleasant if we are to enjoy it fully. It must not stifle us and become execrable under the clumsy hands of its makers. Individuals can achieve it, if only governments would remove the obstacles that they themselves have put in the way, if only governments would consolidate the foundations of our economic structure instead of merely making occasional repairs. Sooner or later, the building will collapse. A chronic headache cannot be cured by taking tablets: the pain may be temporarily eased off, but its cause still remains.

Once the building has collapsed, the only thing left for our progeny will be to write our history and they will gaze with amazement at the unbelievable spectable that we will have supplied them with. If we were to be confronted with them, their opinion would shame us. They may write: "The people of the twentieth century had a strange behaviour! They were great masters in the art of producing goods and wealth but unsuccessful in distributing them. These same people, rather than increase figures, for fear of shortage preferred to restrict the production of goods. Their greatly advanced knowledge enabled them to reach the uninhabited moon while whole populations on their own planet remained inaccessible and destitute.

They feared production more than destruction: they restricted money deliberately in order to limit production, consumption and life. Money flowed profusely and without limits to stir up war and hasten demolition and death. They wasted with unspeakable lavishness the time of thousands of their fellow citizens as they condemned

them to unaccountable unemployment. They sowed broadcast, happily, remorseless, the precious time of other thousands of citizens, to dole out to these unemployed a relative security from savings previously forced upon them.

They asked for an acceleration of production in order to cut down prices, and they recommended decreasing consumption with for the same purpose. Out and out imports were considered a disaster, the source of all misfortunes for a nation: a citizen was neither virtuous nor patriotic if he consumed imported products. But strangely enough, the citizens as a whole would become patriotic and virtuous if they succeeded in imposing this calamity to another people through out and out exports. Their big mistake was failing to realize that time is the only wealth that can be lost irrevocably. All other riches can wait until man is ready to exploit them to his own profit.

All this is strange, bizarre, extraordinary! But nowadays just mentioning these self-evident truths is enough to be branded as a dreamer, to make other people shrug their shoulders.

Advocates of this theory will be asked to be realistic, they will be suspected of being a little off the beam, but no one will never try to prove them wrong. They will be given the chance to admit it freely, that is if someone takes the trouble to listen to them, but they will never venture on the field of evidence. Obviously, they are wrong and they are told that they do not think the same way as the masterminds of our century. And yet, the truth is so simple that it seems incredible: the time of man is the only resource needed to develop matter, and it is the only one which is unrecoverable once it is lost.

Taking into account the present situation in Canada, the government authorities should not take too long before deciding to establish the "just society" that all Canadians aspire to.

Mr: Léonel Beaudoin (Richmond): Mr. Speaker, no member of this House can offord to miss the opportunity of blaming openly the present government for its fiscal policy, as stated in the bill now under study, namely Bill C-225, entitled "An Act to amend the Income Tax Act and to amend an Act to amend that Act".

Last Wednesday night, March 3, I took part, with a few colleagues from the opposition, in a discussion with the management of the Canadian Labour Congress. We discussed with this organization, which represents a million workers or more, the implications of the brief they had submitted to the government of Canada last March 1.

I agree generally with what is included in this brief, and I fully endorse a paragraph on page 13 dealing directly with the bill we are presently studying, which reads:

> It seems that a number of measures could be taken, most of them having a rather immediate stimulating effect on the economy in addition to bringing some relief to the people who need them. We should like to propose, for instance, an immediate personal income tax reduction in favour of lower income groups. Since those people have a strong tendency to spend any extra income or savings they might have, this would stimulate economy. Moreover, we cannot see any reason for maintaining the 3 per cent additional tax, and we therefore recommend its abolition. We are well aware that your government has undertaken to introduce shortly a new tax legislation, but the unemployment problem is so urgent that tax reductions should be considered first.

We then find in this bill that the government has completely ignored, as usual, the proposals of the Canadian Labour Congress. I realize that for the government, this brief has been prepared by mere workers but all the same, the government should at least have considered it and delayed the passage of the bill now before us.

With regard to clause 2 of the bill, the explanatory notes read as follows:

> This amendment would extend for one year the temporary surtaxes imposed under Part IA of the *Income Tax Act*.
>
> The surtax on an individual is 3% of his "basic tax" in excess of $200. It would be extended to apply to the 1971 taxation year.
>
> The surtax on a corporation is 3% of its tax computed under section 39 or 69 of the *Income Tax Act*. It would be extended to apply to profits earned in 1971.

• (4:10 p.m.)

And the same old story repeats itself today. Having reached that stage, why does the Minister of Finance (Mr. Benson) not seek a temporary extension—to use his own words—of that surtax, for an indefinite period? Thus, the population would not know where it stands with such a government and, at the next general elections, it would know what to do.

Mr. Speaker, in order to believe in those temporary extensions, one must really have divine confidence in our leaders, which I, unfortunately, do not have.

Not only do they continue to tax Canadians with such laws, but they also contribute to get us bogged down in a system which has already proved, and which is still proving every day how illogical it is.

I consider that taxes, as they are used in the present system, are to say the least a little dishonest because, in my opinion, they must exist only to withdraw the excess money in circulation, in the face of the obvious fact that there is a lack of consumer products. But are there really too many products? I do not believe so. Is there a surplus of money? Certainly not, at least as far as I am concerned, and I would be glad to know anyone who is in the opposite situation, except naturally the few politicians who continue to believe that there are such people.

Why not at last realize that it is not the taxes which maintain a healthy economy, but a system adequate to the needs of consumers. We all know that bills like the one before us have been introduced since the coming into existence of the system and that we shall have more of them as long as the system exists in its present form.

What would be the use of freeing the producer within the industry, if the whole economic system, including the producer and the consumer and therefore industry itself and its elements, remains under the yoke of banks, which seem to be the "parents" of the present system? The only thing to do in order to free the community would be for the State, brain of the social body, to administer the

banking system and oblige it to serve the people and not enslave them as it does, especially since we have been hearing about the just society from this government which I look upon as the most autocratic the Canadian people, have ever know.

Through this bill, we are laying for another year a new fiscal load on the taxpayers who have not enough money to get what would be necessary for a decent living, while there is an abundance of products in this country. Therefore I regard this extension of the 3 per cent surtax as pure and simple robbery or at least like something dishonest. If a concern is the site of a burglary over and over again, we look upon its owner as a very unlucky man. I believe the Canadian people are really unlucky. It has been like that for three years and it seems that things will not change.

Why not use the reins of power we have to reform the Canadian economy? Why manage in such a way that the taxpayer cannot provide for his most basic needs, by getting out of him the little money that would enable him to live decently?

On the contrary, the Canadian people have to pay absurd taxes like this 3 per cent surtax that the government was to put into force for a year only, a few years ago.

If the government removed the 3 per cent tax, this would encourage the workers, merchants and businessmen, it would help to stimulate the economy which is being jeorpadized by a burden of taxes, surtaxes and temporary taxes of all kinds, the plague of our citizens, especially small wage-earners, industrialists and businessmen.

If the government finally decided to face the truth, and specially to keep the promises made at election time, it would withdraw the bill or at least delay its passing until less drastic solutions are found to restore the Canadian economy. It is high time to do so. It is imperative for the Canadian government to do everything in its power to enable our economy to catch its breath.

To my mind, there are glaring contradictions in the means used by the government in managing our country. When that so-called temporary tax was levied several years ago, it was mainly to control alleged inflation.

Now, on December 3, the government stated that inflation—a term used to conceal the government's mistakes—had been checked. Then, why has that temporary surtax become permanent? Perhaps in anticipation of new inflation or perhaps the government is using that measure to play politics, reserving the right to repeal it before the next election.

After all, as recently stated by the minister, the people who are drawing social welfare or unemployment benefits are wel lpaid by the government. The surtax will increase unemployment still more, because it will take from the Canadian consumers part of their purchasing power which will reach some $245 million for the financial year 1971.

Thus, the government may add that amount to the one already allocated for the support of the unemployed.

Indeed, 25 per cent of the budget is now appropriated for social welfare and 14 per cent for development and economic support.

Mr. Speaker, we are spending more money on people doing nothing than to get the economy back on the road. Thanks to the amount produced by this 3 per cent surtax, the government will find funds to increase unemployment insurance benefits.

Hard as I try, I cannot begin to understand the logic behind this government, which leaves people unemployed, and then assists them through all sorts of social welfare schemes. I want to make this clear: I am not against the principle of social welfare, but against whoever wants to keep people out of work, as this is happening now.

This is nonsense, in such a rich country, and I would surely not want to be in the position of the Minister of Finance who can see numerous debts falling due and finds himself forced to keep a great number of Canadians in poverty, because of the shortcomings of the present system.

As long as the wheels of the Canadian economy have not been changed, Canadians will be forced to keep on pulling this wagon toward a destination which looks rather gloomy.

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, Bill C-255, which the Minister of Finance (Mr. Benson) is asking us to extend for another year, seems somewhat dishonest to me, since in 1968, the same minister levied a 3 per cent tax which was to have been for a period of one year. The Minister of Finance will be reducing the income of those earning small salaries by some $200 million in purchasing power.

Mr. Speaker, taxes are robbery when applied to taxpayers who do not have enough money to acquire the requisites for a decent life while there is an abundance of products in the country. Taxes are robbery so long as there are unsold products, forced unemployment, unused productive capacities due to lack of sales of products resulting from lack of purchasing power.

Mr. Speaker, taxes are robbery in a period such as the one in which we live, because they reduce purchasing power, result in the overstocking of products and despoil the population just as inflation does.

Mr. Speaker, we of the Ralliement créditiste, are against the extension of the provisions of Bill C-225 for the following reasons: taxes should be intended only to take excess money out of circulation when products are scarce. When there is a shortage of money, the answer is not more taxes but a distribution of the purchasing power by means of a dividend or a compensated discount which would bring prices back to the level of the actual cost of production.

The financing of governments and public investments must be achieved through new financing or new credits according to the actual needs and the production capacity of a country.

To be efficient and socially adequate, an economic system must fulfil two conditions. Firstly, it should be

able to produce goods to meet the needs of the people, and secondly, to distribute those goods in such a way that they meet the needs where they exist.

The Minister of Finance (Mr. Benson), in introducing Bill C-225, goes against the logic of that "just society," about which the Prime Minister (Mr. Trudeau) talked so much during the 1968 election campaign.

At the present time, there is not enough purchasing power to meet the needs of our many workers.

• (4:20 p.m.)

[*English*]

Do we in Canada lack anything necessary to fill the temporal needs of our Canadians, Mr. Speaker? Are we without sufficient food to satisfy the hunger of all? Do we lack shoes and clothing? Are we incapable of producing enough goods to meet the general demand? Do we lack railroads and other means of transportation? Do we lack wood and stone to construct a good house for every family? Are there not enough contractors, carpenters and other types of workers necessary to build them? Is there an insufficiency of machinery? As a matter of fact, we have all these things and more; in fact, we could have a lot more in Canada if our Minister of Finance (Mr. Benson) would only stop taxing the poor.

We have three-quarters of a million people who want to produce for the benefit of those in need, but they are paralyzed by the unfair policy of the Minister of Finance. Mr. Speaker, if there are a great many things to sell in a country, then logically there must be a great deal of money in order that these goods may be purchased. The more people and goods the more money there must be in circulation, otherwise the flow of goods is stopped. Money was created for the purpose of moving products into the hands of consumers. Why, then, does the necessary money not find its way into the hands of the people in amounts equal to the flow of goods from the production line?

The founder of Social Credit, Major Douglas, had this to say, "The industrial system, which makes goods, is not to blame for poverty; it is the financial system." We will never build a strong Canada by taxing those with low income for the benefit of those with high income, Mr. Speaker. This proves to us that the government always protects the strongest in the country

With Bill C-225, our Minister of Finance is attacking not only the individual with an ample income but also the individual with the bare minimum of income. He is taxing what is necessary to life, and that is money. People cannot live without money, even though we have plenty of everything in Canada.

When the Bank Act was passed, the Rothschild brothers, under date of June 25, 1863, wrote as follows:

It (this act) gives the National Bank almost complete control of national finance. The few who understand the system will be either so interested in its profits, or so dependent on its favours, that there will be no opposition from that class...the great body of the people, mentally incapable of comprehending will bear its burden without complaint.

[*Translation*]

Mr. Speaker, a while ago I noted that some ministers in the House seemed to find the Social Credit opposition strange. In 1934, the Right Hon. Lyon Mackenzie King, then leader of the opposition had this to say:

Division

[*English*]

Once a nation parts with the control of its currency and credit it matters not who makes the nation's law. Usury, once in control will wreck any nation. Until control of currency and credit is restored to Parliament and recognized as its most sacred responsibility, all talk of sovereignty of Parliament and of democracy is idle and futile.

[*Translation*]

Mr. Speaker, I believe that the words spoken by the former Prime Minister of Canada are clear enough to convey to the government that this is truly the case at the present time.

There is an abundance of goods, the people want to work, but, because of our financial system, they cannot do so and must rely on welfare to support their families.

I believe, Mr. Speaker, that it is unfair, especially to the workers of Canada, to maintain the 3 per cent tax.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Benson) which was agreed to on the following division:

• (4:30 p.m.)

YEAS

Messrs:

Allmand	Cafik
Anderson	Chrétien
Andras	Clermont
Badanai	Cobbe
Barrett	Comtois
Basford	Corbin
Béchard	Côté (Richelieu)
Beer	Côté (Longueuil)
Benson	Crossman
Blair	Cyr
Borrie	Davis
Boulanger	Deachman
Breau	Deakon
Brown	De Bané

Division

Messrs:

Drury
Dupras
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gibson
Givens
Goyer
Gray
Greene
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Kierans
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
McBride
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Murphy
Olson
Orange
Osler
Otto
Ouellet
Pepin
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rock
Roy (Timmins)
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—102.

NAYS

Messrs:

Asselin
Barnett
Beaudoin
Bell
Benjamin
Brewin
Burton
Cadieu
Coates
Code
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas
Downey
Forrestall
Fortin
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harding
Harkness
Horner
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
La Salle
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore
Muir
Nesbitt
Nielsen
Nystrom
Orlikow
Paproski
Peddle
Peters
Rodrigue
Rondeau
Schumacher
Scott
Skoberg
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams—72.

[Mr. Deputy speaker.]

• (4:50 p.m.)

Bill read the second time and the House went into committee thereon, Mr. Richard in the chair.

On clause 1—*Deemed capital cost of certain property.*

Mr. Burton: When this bill was being considered at the second reading stage, a number of hon. members raised questions concerning the effectiveness of the proposed changes in capital cost allowances as they applied to the manufacturing and processing industries. I wonder whether at this stage the Parliamentary Secretary to the Minister of Finance, or the Minister of Finance himself, who I see is just leaving his place, has any comments to make on the points which were made. I know that only one member on the other side of the House chose to take part in the debate during the second reading stage and that was the Parliamentary Secretary to the Minister of Finance when he spoke introducing the measure.

Some hon. Members: Hear, hear.

Mr. Burton: Government supporters cannot be very proud of this bill because not a single one of them stood up to speak in its favour. All they could do was stand up to say yes when the time came.

Some hon. Members: Hear, hear!

Mr. Burton: I can understand their lack of enthusiasm for it. I should like to ask the Parliamentary Secretary to the Minister of Finance whether he would care to make any comment on this particular aspect of the bill as provided for in clause one. In fact, I would invite him to make any comments he might wish to make, though perhaps he would not wish to begin now, because I see it is almost five o'clock. I believe it would be appropriate for us to hear from the government with regard to the various points raised during second reading.

The Acting Chairman (Mr. Richard): Order. It being five o'clock, it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment

are as follows: The hon. member for Oxford (Mr. Nesbitt)—Agriculture—Alleged trafficking in industrial milk quotas—request for information; the hon. member for Portneuf (Mr. Godin)—Unemployment Insurance—Montreal—Inquiry as to government's intention to repair supposedly defective computer; the hon. member for Yorkton-Melville (Mr. Nystrom)—Youth—Cancellation of conference sponsored by Canadian Council on Social Development.

It being five o'clock the House will now proceed to consideration of private members' business as listed on today's Order Paper, namely, notices of motions.

• (5:00 p.m.)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

ATOMIC ENERGY

REQUEST FOR COPY OF CONTRACT FOR SALE OF RESEARCH REACTOR TO TAIWAN

Mr. John Gilbert (Broadview) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of the contract between the Atomic Energy of Canada Limited and the Atomic Energy Council of Taiwan regarding the sale of a nuclear research reactor.

He said: Mr. Speaker, on November 4, 1970 I asked that the contract between Atomic Energy of Canada Limited and the Atomic Energy Council of Taiwan regarding the sale of a nuclear research reactor be tabled in this House. The reason I asked that the terms of the contract be tabled is that there is a growing suspicion among many Canadians that we are having difficulty in selling reactors in the export market. This growing suspicion was confirmed in the month of March 1971 by the Minister of Energy, Mines and Resources (Mr. Greene), who admitted that Canada's attempt to sell nuclear reactors in the export market has been a dismal failure. The minister went on in no uncertain terms to cite the poor record Canada has in this regard and indicated that efforts to sell nuclear reactors in Finland, Argentina, Yugoslavia, Roumania and now Australia had failed.

I note that some members on the other side of the House look on this matter rather lightly, failing to realize the tremendous loss suffered by Canadians not only in terms of profit but in terms of employment. I am sure that when they have heard my remarks, and the remarks of some of my colleagues, they will take a more serious attitude to this question. We in Canada had high hopes that our CANDU system would make its mark in the sale of nuclear reactors throughout the world, that it would create not only a great deal of employment for Canadians but would produce a profit as well. The minister has stated that Canada stands little chance of beating a British bid to build a $150 million nuclear power plant in Australia. In other words, we have been up to bat five times and have struck out five times. The question therefore arises whether we are in the right league in this expensive and important field. Perhaps it is a field that is too expensive, one from which Canada should withdraw.

I suggest there is a comparison here with the ill-fated Arrow project. You will recall, Mr. Speaker, that back in 1958 and 1959 Canada launched a program to sell aircraft to other countries. After an expenditure of some $300 million we had to cease production of the ill-fated Arrow, resulting in a great loss of money and, more importantly, loss of employment and potential markets. It was said at the time that the reason for the loss of sales was that many of the major powers that would have been purchasing the ill-fated Arrow had insufficient confidence in the ability of 20 million people to produce such a high powered and high priced aircraft. We now have an analogy in the nuclear reactor field. This is the reason I have brought this matter to the attention of the House, and I am asking that the details of the contract between the Taiwan government and the Canadian government regarding this sale be put before the House so that a study can be made to determine whether we should withdraw from this field.

One is reminded of the glowing optimism displayed by the Minister of Energy, Mines and Resources a year ago March when he literally put his cabinet portfolio on the line with regard to the potential of the CANDU system, saying that we stood an excellent chance of penetrating the market, making sales, creating employment and producing profits for Canadian companies. Now, like a dog with its tail between its legs, he is running for cover, trying to cloak himself with excuses. The minister may be right. We may be in a very expensive field in which our research know-how is insufficient to compete with that of the United States and some European countries. As the minister indicated, it looks as though we are going to fail in our bid to sell a $150 million reactor to Australia. However, I would remind the minister of the remarks he made about the CANDU system, which uses natural uranium and heavy water to moderate an atomic reaction and to transfer the heat to the generating turbines. If I am correct—and I must admit to very limited knowledge of this specialized field—this would mean that countries in the world would not have had to depend on our neighbour to the south which is the main supplier of enriched uranium.

It is very easy to have hindsight and to be able to criticize a government that has failed so many times. But, Mr. Speaker, I think you should appreciate that my intention, and the intention of the members of my party, was to draw the attention of the minister and members of the government to the serious situation that prevails. We wanted to know what were the terms of the contract between the Canadian and the Taiwan governments since it would have been foolish for the minister to misrepresent the position of Canada in this very important field.

One is quick to realize the limitations of a country like Taiwan, which is why one becomes rather suspicious that in announcing a sale to Taiwan the government may be attempting to cover up. In fact, this is not a sale in the real sense of competing with other countries in the

supply of a nuclear reactor but more an extension of foreign aid to this particular country. It therefore behooves me, as a member of the New Democratic Party, to ask why the government refuses to place the terms of this contract before members so that we may study them. It may be said that the terms are very confidential and that to disclose this information might be detrimental to Canada's position in bidding in this field. I am sure that the members of our party, as well as members of the opposition, are fair and reasonable men and if the minister had said that he would agree to a meeting of the natural resources committee, the meeting could have been held in confidence. Let me point out to you the difficulties we are having in competing in foreign fields. The contract between Taiwan and Canada was more in the nature of foreign aid than the result of high powered competition among countries throughout the world. Had it been otherwise, members of the committee might have been able to report their satisfaction.

• (5:10 p.m.)

I have had great respect and regard for the Minister of Energy, Mines and Resources throughout the years. I know he has had legal training and has a legal mind. He has been able at times to persuade Canadians, in a rather shallow and empty way, to accept certain matters. When I look at some of his energy policies, I am acutely aware that we must be alert at all times to make judgments which are objective rather than subjective, completely dependent upon the minister and his officials.

Therefore, I have great confidence that the minister will agree to this motion this afternoon. I am sure he will agree to refer the matter to the appropriate committee and will appear before that committee with his officials to give the details of this contract as well as the problems we are facing regarding the sale of nuclear reactors. I would think if he sets forth the problems he has, and listens to the constructive criticisms of members of the committee, he may be able to salvage something in respect of this very important undertaking. I will not take any more of the time of the House because I have the greatest confidence in the minister. I know he will present his problems so we can study them and be better equipped to suggest solutions.

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, it does my heart good to hear the hon. member for Broadview (Mr. Gilbert) admit in this House that the Minister of Energy, Mines and Resources (Mr. Greene) has a large department to handle and that he is handling it well. I know that his liaison with Atomic Energy of Canada Limited is extremely efficient because he has an excellent link between one of its major parts and A.E.C.L. in Renfrew North. The questioning of the expenditures in respect of Atomic Energy of Canada by the hon. member has raised some questions in my mind. Not very long ago, the committee on National Resources and Public Works visited Chalk River and Deep River. I am sure there was no intent on the part of the hon. member for Broadview, but at a dinner for us sponsored by the town of Deep River he criticized the government for not going ahead with the intense neutron generator at a cost estimated at that time of $150 million. Today in this House he has criticized this government for spending money in respect of Atomic Energy of Canada.

An hon. Member: That is not very consistent.

Mr. Hopkins: These statements are in conflict. There is one very important point I should like to put on the record at this time. On June 23, 1969, during a speech I made in this House, I brought out facts about the Glace Bay heavy water plant which, as we know, has been the subject of an expenditure of something in excess of $110 million. I criticized the Leader of the Opposition (Mr. Stanfield) for decisions he made in the beginning regarding the construction of that plant. After I sat down, the hon. member for Dartmouth-Halifax East (Mr. Forrestall) stood up and made the following statement while looking at me:

> Mr. Speaker, it is a great temptation to go rabbit hunting but I will not do that tonight. I simply say to the previous speaker that the events of this summer and fall will prove the point. I know the hon. member is a sensitive individual, and I know he will be quite embarrassed when the announcements are made that will indicate to the people of Canada, and in particular of Nova Scotia, the wisdom of the then premier of that province moving into this field.

Some hon. Members: Hear, hear.

Mr. Hopkins: That is what the hon. member for Dartmouth-Halifax East calls wisdom. The present Leader of the Opposition in this House supports the expenditure of $110 million on a heavy water plant in Glace Bay which is still not producing heavy water. If he is going to run the province of Nova Scotia into that kind of debt, God help Canada if he ever becomes Prime Minister.

The hon. member for Broadview has questioned whether we are in the right field, and whether we should be involved in this area of development. Let me say to the hon. member for Broadview that I am one of the members in this House who has on previous occasions, at public meetings, in reports, on radio and on television, stated that if Canada is to play its role in the future of this world it will have to spend more money on research programs in many fields, not only scientific but trade, commercial and technological. The perfect example of this can be found in the fact that the Japanese are building specific types of ships. They are buying Canadian wood from the west coast of Canada, manufacturing plywood, and selling it to Canada and the United States cheaper than we can produce it here in Canada.

I am sure it was not the intention of the hon. member for Broadview to leave the impression that people on the government side of the House are not interested in research projects. Let me make it very clear that it is deplorable that the science community in Canada has been criticized to the extent it has in the past few months. Every one of us in this House knows that we must carry out research in order to obtain realistic answers to our problems. Mistakes have been made in the past. Is there anyone in this House who is willing to say that from now on every science program to be undertaken will be perfect from beginning to end? This is not

the meaning of research. There are many cases in which the trial and error method must be used. If we are not willing to take such a gamble Canada will stand still and will drag farther behind the other nations of the world who are willing to take that gamble. We must spend money to build up such industries as Atomic Energy of Canada Limited. When the hon. member for Broadview was speaking I could not help but wonder what the Hon. C. D. Howe would be thinking if he were able to hear his speech. In spite of all the citicism that has ever been made inside or outside this House about the Hon. C. D. Howe—

• (5:20 p.m.)

Mr. Knowles (Winnipeg North Centre): The Right Honourable.

Mr. Hopkins: Thank you; I am glad to be corrected because I have always held him in very great esteem and have always considered him as a great Canadian. Last summer I had the pleasure of attending the unveiling of a plaque in his honour in my constituency. We, as Canadians, owe a great debt to this statesman who placed us in a forward position in respect of scientific research in this field. He was a very capable administrator and should certainly be remembered in this House during such a debate.

Some Hon. Members: Hear, hear.

Mr. Hopkins: Mr. Speaker, recently there has been a great controversy in Canada concerning heavy water. There certainly has been a great controversy in my constituency because recent reports about the scarcity of heavy water have placed doubt in the minds of the 2,350 employees who work at the Atomic Energy Plant at Chalk River. In a riding such as mine, this number represents a large portion of the total labour force in the area. I have been informed by Atomic Energy of Canada Limited there is no danger that the research work being carried on at Chalk River will be affected by the situation in respect of heavy water, so the people employed there can feel secure in this regard. This is the report I have received from AECL. Despite the failure of the Nova Scotian plant at Glace Bay, Canada has been fortunate in being able to purchase 187 tons of heavy water from Sweden.

An hon. Member: At $30 a pound.

Mr. Hopkins: I am glad you mentioned the figure. I have not checked it. This is the figure you are giving me, and I do not wish it to be considered as my figure. I do happen to know that if the heavy water had been produced in Canada we would have been able to buy it for $7 less per pound. The consequence of our depending on the people who built the Glace Bay heavy water plant for our source of heavy water is that we are paying over $7 a pound more for heavy water for all our research plants, and for the commitments we have made to such institutions as Ontario Hydro and others using reactors or generators.

An hon. Member: Shame.

Mr. Knowles (Winnipeg North Centre): Sin no more.

Mr. Hopkins: I should like to point out to the hon. member for Broadview that it seems to me every time there is a labour settlement with Atomic Energy of Canada Limited his party seems to like to take full credit for all the negotiations and for all the increases the employees receive. Well, Atomic Energy of Canada Limited employees have been receiving their increases from Liberal governments in this country and they owe the birth of that industry to a Liberal government. I think this should be placed on the record and remembered very well by hon. gentlemen.

As late as three weeks ago, the personnel working on behalf of this Liberal government made a settlement with 600 people, mostly tradesmen, at Atomic Energy of Canada Limited at Chalk River. There are still other negotiations to be completed but I believe they are progressing very well. So, I just wish to place on the record, on behalf of my colleagues on this side of the House, the fact that it is not always the NDP which does the major part of the work for labour.

The Acting Speaker (Mr. Richard): Order, please. I do not like to interrupt the speech of the hon. member but we are a little far away from Taiwan.

An hon. Member: But he is telling the truth.

Mr. Hopkins: Geographically, Mr. Speaker, and possibly even verbally, we are away from Taiwan. I think, however, that we should consider the historic perspective of this whole program of atomic energy in Canada because I do not think hon. members opposite have done all their homework, nor do I pretend to have done all mine.

Mr. Knowles (Winnipeg North Centre): That is obvious.

Mr. Hopkins: Historically, Canada's position as one of the five most advanced nations in atomic energy development may be said to have had its origins in the discovery and exploitation of uranium deposits for the production of radium in the 1930's. The switch during the war to interest in uranium for nuclear weapons development, concurrently with the need for a base for the British atomic energy research program, brought Canada into the tripartite council with the UK and the United States. Moreover, French scientists, who had pioneered the idea of the heavy water natural uranium chain reactor, were working with the UK team. Canada undertook, jointly with them, to develop the heavy water reactor for the production of plutonium. Based on pilot experiments with the ZEEP, a zero energy pile which started operating at Chalk River, Ontario, in 1945, the adjacent NRX reactor was built and came into operation in 1947. It was so successful that in 1949-50 both the United States program of giant heavy water production reactors at Savannah River and the combined research and production reactor, NRU, at Chalk River, were committed.

To conduct the growing program of atomic energy research and development involving reactor construction and operation and the production of isotopes, the Crown

company, Atomic Energy of Canada Limited, was formed in 1952 to take over the research from the National Research Council and the radioisotope business from a sister Crown company, Eldorado Mining and Refining (1944) Limited.

The direct cost of the NRX reactor did not exceed $10 million. The NRU reactor, completed in 1957, cost $58 million but earned a revenue of more than $30 million from the sale of plutonium to the U.S.A. Since 1951 these two main reactors at Chalk River have also produced radio-cobalt—cobalt-60—and other isotopes for commercial sales and use in cancer therapy units, and in irradiators for sterilizing packaged medical supplies and other purposes.

An hon. Member: How much of it is going to Taiwan?

• (5:30 p.m.)

Mr. Hopkins: The Canadian isotope production business has increased from about $500,000 in 1952 to a sales volume of more than $10 million per year. Research and development have grown from prime interest in nuclear physics, chemistry and biology to embrace basic materials research and large-scale engineering for nuclear power.

Canada's development of a distinct line of highly economical nuclear power reactors has now reached the stage of initial commercial acceptance by electric utilities. This has been achieved in spite of the fact that our expenditures for nuclear power development have been very modest compared with those of the U.S.A., U.S.S.R., U.K., France, and now Western Germany and Japan. Much benefit has been derived from technical collaboration with the U.S.A. and U.K. Similar collaboration is being established with France. Since 1955 there has been successful collaboration with India which has led to the operation since 1961, near Bombay, of the CIRUS reactor similar to NRX and to a sequence of Canadian-designed power reactors of 200 megawatt electrical rating now under construction.

The total employment roll of Atomic Energy of Canada Limited has risen from 1,396 at its formation in 1952 to 4,685 in 1970—not a bad employment record in spite of the remarks of the hon. member for Broadview who said more employment should have been brought about by this particular industry. A more extensive history has been published under the title "Canada's Nuclear Story," by Wilfrid Eggleston.

In conclusion, Mr. Speaker, Canada's position so far as heavy water is concerned would be much better if the Nova Scotia government had hired expertise from the scientific community of Atomic Energy of Canada instead of running off to the U.S. to hire someone else. But today, with Atomic Energy officials looking into the heavy water plant at Glace Bay to see whether it can be repaired or salvaged in any way, I am sure that production of heavy water in Canada is now in far more capable hands.

The Acting Speaker (Mr. Richard): I wish to advise the hon. member that having travelled from Chalk River to Nova Scotia to France, the United Kingdom, Germany and Italy, we never did get to Taiwan.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I wish I had known earlier that this topic was coming up for consideration today because I have some quite definite feelings on it. I would like first to comment on the remarks of the hon. member for Renfrew North (Mr. Hopkins). He suggested that the Leader of the Opposition (Mr. Stanfield), when he was Premier of Nova Scotia, made some serious errors in regard to the heavy water plant at Glace Bay. That is quite obvious, and probably no one regrets it more than the Leader of the Opposition.

Mr. McBride: There is small comfort in that.

Mr. Thomson: But there is one thing that I think should be mentioned relating to our export sales, to the fact that we do not produce heavy water to accompany any possible sales of plant that we make abroad and to the difficulty we have acquiring enough heavy water for our own use. It is the fact that Atomic Energy of Canada Limited cannot be absolved of all responsibility in regard to the Glace Bay plant. When Atomic Energy signed a contract with the government of Nova Scotia it should have made certain that the production methods at Glace Bay were of a satisfactory nature. To my knowledge this was never thoroughly checked out by Atomic Energy. If it did not do so, why did it sign the contract on behalf of the federal government? This is a point that should be emphasized.

But, Mr. Speaker, all that is in the past. We want to concern ourselves now with the production of atomic energy in Canada and with sales of plant abroad. We would like to know more about sales abroad; this is the purpose of the motion. Are we going to be able to sell more atomic energy plants abroad? I have visited two atomic energy plants in Canada, the Pickering plant where one unit is completed or practically completed, with three more units under construction, and the prototype plant at Gentilly, Quebec. As a result, I cannot help feeling that the government should have got the lead out sooner with regard to new ideas in the scientific field covering new methods of producing atomic energy.

I was impressed with one of the new ideas being used at Gentilly. One of the main criticisms of the CANDU operation is its high capital cost. The plant at Gentilly is reducing considerably its capitals cost in the sense of boiling light water for steam instead of using heavy water. When one considers that heavy water costs $30 per pound you realize this will reduce the plant's costs and it also cuts out the costs of a heater changer. The plant does not have to worry about losing heavy water at $30 per pound, because what does it matter if it loses only a little ordinary light water. I may be speaking without proof that the plant at Gentilly is going to work. But if I were in the market for an atomic energy plant I would hesitate about purchasing an installation such as the one at Pickering. I would look seriously at the prototype plant in Gentilly because I believe it has good possibilities.

It has been said that capital costs involved in the production of atomic energy are too high. I would point out that these days the costs of producing energy in all fields are going up. When costs in these other fields rise, atomic energy will come into its own. Mention was also made of the late C. D. Howe. I suggest that the present government is not approaching the production of atomic energy, and many other things, with the enthusiasm that Mr. Howe displayed. I believe that if Mr. Howe had had an opportunity to collaborate with Japan in producing enriched uranium he would already have talked Japan into a contract. The present government has not made that progress. Further, if we hedged our bets a little by producing something which we do not use in our own atomic energy plants, if later on we decided that our type of production of atomic energy is not the best we could change, particularly if we had an enriched uranium plant in Canada.

There are one or two other items I would also like to mention. Just the other day I read that an American experimental group is producing energy from hydrogen. This is a new concept and one which we may use in the future. There is no radioactive waste in connection with this production. If we are to keep up to date in producing atomic energy, I feel we must invest more money in research. I compliment the hon. member for Renfrew North for recognizing this fact, but part of the problem in any scientific project is paying the development costs. If we have only two or three plants, the development costs are high compared with the cost of the plants themselves. If we could sell 10 or 15 plants, obviously the cost would come down. If we had 15 plants for sale we could afford to invest more money in research. It is a cycle that would logically grow. First of all, however, we have to sow the seed and have some faith.

• (5:40 p.m.)

I commend the government for the faith they have had in moving into some of these fields. I feel they could have done much more in developing new ideas and spending more money on research. Employing our own technicians and engineers here in Canada rather than letting them go abroad to do research would be a better arrangement. I wish I were in a position to quote figures in connection with some of the research done in other countries, and the return on the dollar invested.

I am impressed with the general principle that if we want something, atomic energy plants or anything else, we must sow the seeds in research and try out our ideas. In view of the savage competition from abroad, if we demand that some countries pay us in American dollars for atomic energy plants they may well ask themselves: Why not buy plants made in the United States?

We have seen that Britain has tied itself to a tobacco deal with one country, and there is also evidence that in negotiations with Australia other factors are involved in trade which Canada is not willing to consider. If we want to sell for straight cash and not be bothered with any other form of trade, we may have to be prepared to take second place or perhaps not sell at all. I should commend the hon. member for Broadview for initiating this discussion. I feel something more should be done in the committee and in our scientific community, and a lot more should be done in the Department of Energy, Mines and Resources.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I thought in this private members' hour we would be debating the production of papers, specifically papers in this particular field. However, in my humble opinion the hon. member for Renfew North (Mr. Hopkins) has turned this hour into one for making a very political speech which, with great respect to him, has no place in private members' hour. This is one of the things the loud-mouthed preacher from Renfrew—

Mr. Bell: He would not know any better.

Mr. McCutcheon: —should remember, too. He should not let his politics stick out all over the place. I enjoyed the remarks of my friend from Renfrew North—

Mr. McBride: Now you are just being personal.

An hon. Member: The parsimonious parson.

An hon. Member: Please keep quiet.

Mr. McCutcheon: Mr. Speaker, let it be on the record that the former Premier of the province of Nova Scotia is on record in this House as welcoming the construction of the heavy water plant at Glace Bay. He made a statement here that he was very happy and proud about it. What is more, in the last two months he has been optimistic about the rehabilitation of the plant when speaking on television, and we were too.

Mr. McBride: Mr. Speaker, would the hon. member permit a question?

Mr. McCutcheon: Just as soon as I am through.

Mr. McBride: Is the hon. member aware that there were $42 million of federal money—

An hon. Member: He said no.

The Acting Speaker (Mr. Richard): Order, please. The hon. member for Lambton-Kent (Mr. McCutcheon) has the floor.

Mr. McCutcheon: Thank you, Mr. Speaker. I will only be a minute and when I am finished I will be happy to entertain any intelligent question. The fact remains that we are obviously out of our depth in this big league of atomic energy, and the correspondence no doubt would prove it to this House. That is the purpose of the exercise today, to discuss the production of papers.

Mr. McBride: Would the hon. member permit a question now?

Mr. McCutcheon: I don't think there is time, Mr. Speaker.

Mr. McBride: He makes charges which he is afraid to substantiate.

Atomic Energy

Mr. Keith Hymmen (Kitchener): Mr. Speaker, I am very pleased to enter this debate and speak on the motion introduced by the hon. member for Broadview (Mr. Gilbert). At the outset I would say that I cannot accept the notice of motion as presented, but with other members I appreciate the opportunity to comment on atomic energy, nuclear power and the agreement with the Taiwan government.

In his remarks the hon. member for Broadview mentioned the concern—I believe he said suspicion, but there is concern—about the fact that the Canadian atomic energy program, so eagerly anticipated for different parts of the world, has not as yet met expectations. However, he misquoted the Minister of Energy, Mines and Resources (Mr. Greene) and I should like to set this straight for the record. The minister said that the CANDU reactor, based on the use of natural uranium and heavy water, would stand on its own merits against any other atomic energy system—in our own domestic market. Of course, we have many reactors completed or under construction in Canada: the Rolphton reactor, the one at Douglas Point, Pickering One, Pickering Two, Three and Four are projected, the Gentilly reactor and the Bruce reactors One, Two, Three and Four which are projected in the future.

I want to make it quite clear that the minister was very definite in his statement regarding our domestic market. Of course, in the international market many factors can be involved. We are all aware of the recent discovery of uranium ore in Australia. Of course, our government thought that this would assist us in our discussions and anticipations regarding reactors for Australia. Unfortunately, the British nuclear power group has offered to share with Australia its program on the manufacture of uranium.

There is no question that the CANDU reactor's capital cost is higher, but the operating cost and the differential in price between natural and enriched uranium can play an important part in operating expenses for any power reactor. Of course, the Minister of Energy, Mines and Resources says that he is not fixed to the CANDU program. In a speech he made, or at his press conference in Japan last December he suggested it was possible that some capital assistance could be obtained from countries of the Pacific rim to develop a plant for the enrichment of uranium in Canada. I think we have to consider all these factors in regard to the potentiality of our role in nuclear energy in the world.

• (5:50 p.m.)

I now wish to make a few general remarks about the Taiwan contract. I think the hon. member for Broadview and other hon. members would be interested to know that the contract for the reactor was signed in September, 1969. It is not a power reactor, but a research reactor.

Mr. Gilbert: That is what my motion talks about.

Mr. Hymmen: The hon. member did not say that, I submit. As I say, this is a research reactor. The hon. member failed to stress that point in his remarks.

[Mr. McBride.]

An hon. Member: Shame.

Mr. Hymmen: The hon. member talked about the failures of the Liberal government. Once in a while I think we want to hear about some successes.

Mr. Gilbert: So do we.

Mr. Hymmen: It is nice to hear of the successes of various organizations and agencies serving this country under a Liberal government. The reactor in question is a research reactor similar to the one at Chalk River. It is intended to produce cobalt-60, one of the discoveries of Canadian nuclear research scientists.

May I at this point refer to the first report of the Senate Special Committee on Science Policy, volume 1 of which criticizes considerably Canada's efforts in the field of nuclear energy. It completely ignores the fact that the heavy water and research program carried on at Chalk River resulted in cobalt-60, one of the important discoveries in the treatment of cancer. As a result, people suffering from cancer can be treated in our own country and can be so treated in the republic of Taiwan. Instead of always talking abour our failures, hon. members ought to recognize that this is one of our successes.

Some hon. Members: Hear, hear!

Mr. Hymmen: The total cost of this project in Taiwan is approximately $35 million, the Canadian content of which will be some $28 million. It is a 100 per cent commercial contract, with no lending arrangements or other special financial considerations. Atomic Energy of Canada Limited is the prime contractor. Most of the Canadian content will be provided by Canadian firms in the form of engineering services, fuel and project management. Construction began at the site in 1970 and is going ahead well, and there is every indication that the project will be completed by 1973. I know that hon. members will be interested to know that the Taiwan authorities agreed to accept the application of the safeguard system of the international atomic energy agency to ensure that the reactor is used for peaceful purposes only.

The Taiwan research reactor, as my colleague said, is a development of the NRX reactor that was first started in Chalk River in 1947 and has twice been rebuilt since that time. Capitalizing on and benefiting from the experience with our NRX reactor, the Taiwan research reactor is a highly sophisticated research and development reactor and was selected by the Taiwan Atomic Energy Commission after much careful consideration of the various research reactors available in the world. It is similar to the CIRUS reactor, originally called the Canada/India Reactor, or CIR, at Trombay, near Bombay, India. This reactor, completed in 1961, was based on the NRX design. Its success and contribution to the Indian atomic energy program undoubtedly influenced the Taiwan decision in favour of a Canadian reactor.

Atomic Energy of Canada Limited hopes, and indeed expects, to market its reactor elsewhere. Roumania has shown serious interest in acquiring one of these NRX reactors for its national atomic energy program.

Roumanian interest was sparked by the integrated nuclear program of India, with its heavy water research reactor and a series of heavy water power reactors starting with the two units in Rajasthan which are modelled on the design of the Canada, Douglas Point, nuclear power reactor.

Other countries interested in natural uranium-fueled power reactors recognize the merits of the NRX reactor and are potential customers. International bidding for large and expensive items of equipment is intense and contenders, for good reason, do not show any more of their cards than is absolutely necessary. When a job has been obtained it is normal for the total price to be divulged and, possibly, the value of some of the components.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Export Development Act

An act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act, and the Fisheries Improvement Loans Act

An act to implement an agreement for the avoidance of double taxation with respect to income tax between Canada and Jamaica

An act respecting the Electoral Boundaries Readjustment Act

An act respecting the Electoral Boundaries Readjustment Act

An act respecting the Electoral Boundaries Readjustment Act

An act respecting the Electoral Boundaries Readjustment Act

An act respecting the Electoral Boundaries Readjustment Act

An act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1970, to the 30th day of June, 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

At 6.10 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration in committee of Bill C-225, to amend the Income Tax Act and to amend an act to amend that act—Mr. Benson—Mr. Richard in the chair.

On clause I—*Deemed capital cost of certain property.*

Mr. Burton: Mr. Chairman, I see that my comments just before five o'clock failed to induce the Minister of Finance or his parliamentary secretary to rise and deal with some of the points which were raised on second reading.

I believe it is one of the functions of the committee of the whole to consider the points which have been raised in debate in a realistic and honest fashion, and I hope a statement will be forthcoming from spokesmen on the government side of the House dealing with some of the observations which have been made concerning cost allowances. In an effort to bring the parliamentary secretary to his feet, I should like to address a question to him at this point. Possibly this was reported at some point and I overlooked it. Could I be informed how much the government expects to lose in revenue through the application of this provision? At the same time, while it is not immediately relevant to the clause under consideration, could the committee have figures with respect to the gain in revenue that will be achieved as a result of the extension of the 3 per cent surtax on both individual income tax and corporation tax for the year 1971?

• (8:10 p.m.)

Mr. Mahoney: Mr. Chairman, with regard to the first question, this was dealt with in the speech on second reading. It is estimated that the manufacturing and processing enterprises which are likely to be able to take advantage of this incentive undertake some $3 billion worth of capital investment annually. This would entitle them to claim extra capital cost allowance over the lifetime of the assets in the sum of $450 million. It is expected that for the fiscal year 1971-72 the cost of this incentive to the treasury will be $25 million.

With regard to the second question, which relates to clause 2, it is my understanding that the estimated revenue from the 3 per cent surtax for the current year would be $240 million.

Mr. Burton: I wonder whether the minister would make further comments about some of the observations that have been made about the capital cost allowance program as it is proposed in this clause.

Mr. Mahoney: Mr. Chairman, if it will please the committee, and particularly the hon. member, I will do so. In his comments immediately prior to private members' hour he invited discussion of the government's assessment of the efficacy of the measure proposed in clause 1 of this bill. He also remarked during second reading that I had been the only government member to speak on the bill as I had introduced second reading on behalf of my minister.

In reply to the latter point, I suggest to the hon. member that he would not, I am sure, have made that point had his parliamentary duties required him to attend in the House and listen attentively to the entire

debate, as I did. Had he done so he would have recognized that except in a couple of rare instances the debate did not deal specifically with Bill C-225 but, rather, was of a general nature which really continued the six-day budget debate for a further period, three days so far. Government members participated fully in the six-day budget debate. Being no doubt respectful of the rules of this chamber, and being in accord with the government's economic policies in general and those reflected in this bill in particular, they feel no compulsion to join in extending the budget debate beyond the six days that the Standing Orders provide and which the House had completed prior to the introduction of this bill.

I am here ready, willing and able to deal with specific questions regarding this bill, including those that the hon. member alleges were posed during the second reading debate, although if there were many of them they must have escaped me in spite of my attentiveness. The government is confident that the measure proposed in clause 1 will be an effective incentive for the rather specific purpose for which it is designed, namely, the encouragement of capital investment in new manufacturing and processing facilities. This in turn will have a direct, positive effect in terms of increased employment.

Since the measure will apply to capital expenditures made between December 4, 1970, and March 31, 1972, it is not possible to assess the impact of the proposals with precision at this time, and it will not be possible to do so until after the income tax returns of businesses taking advantage of the incentive have been filed for the taxation years ending between December 4 last and March 31, 1972. What is certain is that the direct effect of the 115 per cent capital cost allowance base on the cash flow of qualifying taxpayers constitutes a very real and significant incentive when taken into account with the cost of financing capital expenditures. Its exact value to a given taxpayer will depend on a number of factors, including depreciation class, interest rates, term of borrowing and so on. Inquiries concerning the proposal, as well as announced capital expenditure intentions, confirm the government's assessment of the value of the incentive.

I might say that I took the opportunity during the dinner hour to review the hon. member's speech on second reading on March 3. I found none of the specifics that he alleged earlier today in his speech. There was a specific in the speech of the hon. member for Edmonton West, who was concerned that the 115 per cent base would be available only for prescribed property not previously used for any purpose whatever. That is precisely the intention, to inspire new plant and facilities, and we make no apology for it.

I commend clause 1 to the committee. If the hon. member has any specific questions relevant to the clause I shall be pleased to hear them and to have an opportunity to respond to them.

Mr. Stanfield: Mr. Chairman, perhaps the parliamentary secretary could clarify one matter that has puzzled me a little. I refer to the incentive to encourage enterprises to decide to move forward investment decisions; I presume that is the purpose of the measure. I am a little puzzled as to the appropriateness of this provision by itself, in view of the forecast of business investment for 1972 received by the Economic Council of Canada, which showed quite a dismal expectation for that year. If the effect of this provision is to encourage enterprises to make investments in 1971 and as far as April 1, 1972, which they would otherwise have made in the year 1972, then it looks like a pretty feeble effort in view of the anticipated investments reported to the Economic Council.

Mr. Basford: They were made before this bill.

Mr. Stanfield: Yes, they were. I would be happy to engage in a debate with the Minister of Consumer and Corporate Affairs who, if he is not careful, may become Minister of Finance himself one day. My point is that since the purpose of the measure seems to be to move forward investment decisions, if the investments to be moved forward are very insubstantial in any event then surely the Parliamentary Secretary to the Minister of Finance ought to present to this committee some more substantial stimulus in view of the very weak expectations reported to to the Economic Council for 1972 through to 1975.

Mr. Benson: Mr. Chairman, may I simply say that the forecasts of business expenditures have been out in the past, as my hon. friend has seen for himself today. Last year people were saying that it was a terrible year, whereas the increase in capital expenditures in Canada was 8 per cent, much above what was expected by the Dominion Bureau of Statistics. If we are talking about creating jobs now by means of this kind of incentive and one can write off 15 per cent beyond the cost of a particular asset, I suggest this is certainly a great incentive to moving the installation of that asset back into 1971 as compared with, say, 1972 and 1973. I am not at all worried about the economic forecasts in 1972 and 1973.

• (8:20 p.m.)

I think the economy of Canada is moving upwards and I think it will continue to move upward in spite of the great concern the Leader of the Opposition has expressed. He realizes that this is the case; he knows the economy will move upward in 1971 and through 1972. He knows that is why we are including this particular incentive at this time. In the over-all picture it will mean that a lot of assets will be put in place in the fiscal year 1971-72 which would not otherwise be in existence, in that time.

Some hon. Members: Hear, hear!

Mr. Benson: Mr. Chairman, this is exactly what we want to do: we want people to move their capital expenditure programs forward in order that we can create jobs as soon as possible without creating inflation. My hon. friend has talked a great deal lately, even during the question period today, about what is and what is not happening. This kind of program represents an incentive

which businessmen really understand. They understand that when they are investing in their assets the most important thing to them is the cash flow, how much they can write off and the amount of capital available to them and when. I maintain this is a very strong incentive in respect of the movement forward of capital expenditures into the current fiscal year instead of putting them off until the fiscal year 1972-73.

I would simply like to say again that I am not worried about what will happen in 1972-73, although I know this is important to my hon. friend because there might be an election about that time. I think the Canadian economy is moving upward. I am sure it will continue to do so. This will create jobs, and we want jobs as fast as we can get them.

Mr. Baldwin: It is not fast enough.

Mr. Stanfield: Mr. Chairman, I was not really asking the minister whether he was worried about investment expectations in 1972-73, because it is quite irrelevant whether he is worried. The fact is that the most accurate and most reasonable indication we have had is that investment in 1972-73, on the basis of the present policies of the government, will be poor. I suggest that the minister should try to move forward in another way rather than following this weak method. He ought to be encouraging expansion in the next few years instead of simply attempting to move forward the investments which have been forecast.

I have made many suggestions to the hon. minister, to which he has paid no heed at all, as to what he might do to stimulate economic growth and investment confidence in this country. Whether the minister is worried, and regardless of the forecast he has made, I would be less than honest if I did not take this opportunity to say I have no more confidence in his forecast today than I had in his forecast in 1968. At that time he forecast a surplus, and we ended up with a deficit of about $700 million.

Mr. Benson: In answer to that, Mr. Chairman, I should like to say that I have no more confidence in the Leader of the Opposition than I had when he went into Deuterium of Canada Limited. I simply say that the economy is moving upward. This bothers the Leader of the Opposition. He has been running all over the country talking about an election in 1971. He has suggested that we have to call an election now because he knows things are going to be good in 1972. He does not want to see the economy move upward: this is because of political reasons and nothing else. I believe that the Canadian economy will move forward and upward. I believe that in the fiscal year 1971-72 we will find a decline in seasonally adjusted unemployment. I am sure we will also find an increase in the gross national product. People outside this country forecast a much greater increase than I forecast in my budget speech in December. We will also find an increase in productivity in Canada.

I can understand how this upsets the Leader of the Opposition. He really has had a very tough time. He wants to upset everybody in Canada by suggesting that we are not doing things for 1971. All the time in the House of Commons he suggests that we should be creating more jobs now. He suggests the Minister of Finance should be worried about creating jobs in 1972-73 but should not be worried about creating jobs at this stage. I suggest that a government which is responsible must be worried about creating jobs now. A responsible government must be concerned about moving forward, as this government is now doing, with a sound economic policy for Canada. Such a government must adopt a policy to increase the number of jobs, increase the gross national product and decrease unemployment in the economy without undue inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to reply to the Minister of Finance. I am not surprised that the country is in the state it is now, in view of the way the minister has attempted to twist what I have said into the suggestion that I am concerned only about unemployment in 1971. What I am saying is that the measures being put forth by the minister are inadequate to sufficiently stimulate employment in 1971. His suggestion that I am worried is irrelevant. The fact is that there are about 750,000 unemployed people today as a result of the government's inflationary policy.

I am surprised that the minister would play politics with an issue as important as this. I suggest to him that it is not adequate to provide an incentive designed to move investment forward in 1972-73 to 1971. This is particularly true when the forecast by the Economic Council of Canada is so dismal in respect of these years. What the minister ought to be doing is listening to someone other than himself. He should be attempting to stimulate investment generally, rather than relying on a forward movement in the coming fiscal year. He is thinking in terms of investment which has already proved to be inadequate. Instead of this mockery in which he is engaging he should be stimulating sound investment during 1971-72 and 1973. I am suggesting that his policies are inadequate to create employment in 1971. I have tried to explain to him why his policies are inadequate, but he does not seem to understand.

Mr. Benson: Mr. Chairman, I am sorry that the Leader of the Opposition has brought politics into this debate. I suppose the place for politics is the House of Commons. I believe that the policies developed by this government are the best possible. I am sure it upsets the Leader of the Opposition that we are overcoming inflation to a large degree. He never really overcame inflation or unemployment in his province. I like to think back on his speeches last year in which he talked about inflation. I recall his colleague, the hon. member for Prince Edward Hastings, standing up and saying that a .5 per cent monthly increase means we will experience a 6 per cent inflation ratio during the year. This is the sort of thing I heard said a year ago. I am sure the Leader of the Opposition is very upset about the successful developments in the economic situation.

Mr. Stanfield: I am very upset about the unemployment situation.

Mr. Benson: The hon. member did nothing about the unemployment situation in Nova Scotia when he was Premier. He is responsible for starting that province in the direction of a serious debt position. That province will find it very difficult to recover from that situation. In spite of his experience with Deuterium of Canada, he stands up now and says that we should stimulate the economy. How to stimulate the economy at this particular time is really a matter of judgment. We have moved through a period in which the economy has bottomed out and started moving upward. We have done much better in this regard than our neighbours to the south. We have had less increase in unemployment. We have had an increase in our gross national product, whereas theirs has declined; and we have had a price performance which is almost twice as good as that of the United States.

• (8:30 p.m.)

I do not know how much the Leader of the Opposition would expect the Canadian economy to achieve. I would say, however, we are looking forward in Canada—and indeed economists throughout the world and those in Canada say we are looking forward—to a basic growth in our economy. The one thing we must worry about, which I consider to be a very serious matter, is that we do not get back onto an inflationary spiral in this country. The economy is moving upward and is doing much better than any other economy in the western world.

Mr. Woolliams: Don't give us that.

Mr. Benson: Mr. Chairman, I challenge the Leader of the Opposition to read the reports by independent economists, including a report in *Business Week* a couple of weeks ago which said we are miles ahead of what is happening in the United States, to look at what is happening to the Canadian economy and see if he can say we have not moved through this difficult period, a period which really started about 10 years ago when we moved through an expansionary period in Canada, when we got rid of the last Tory government and moved through a very dangerous inflationary period in Canada.

The Deputy Chairman: Order. I hesitate to interrupt the Minister of Finance, but we are getting a little away from the subject of the bill. We are talking about things which are not covered by the bill. However, perhaps the House wishes to hear more of the same.

Some hon. Members: Hear, hear!

Mr. Stanfield: Go ahead; finish.

Mr. Woolliams: Even one of your own chairmen cannot take it.

Mr. Benson: Mr. Chairman, I really do not want to speak at length on this because we discussed the economic situation in Canada during the budget debate. I think the economic situation in Canada looks very favourable. I can understand that this upsets the Leader of the Opposition. If I were sitting over there it would upset me too. We have had very great problems in Canada which we had to overcome.

The situation in Canada in respect of the United States has been very favourable through the current period in moving through very high inflation which caused all kinds of difficulties to all the people in Canada, not just the unemployed but everybody who is working in Canada and particularly those people who do not have the power to force their demands upon the Canadian economy. I think we have moved through it reasonably well and are looking toward a period of expansion. I can understand why it upsets the Leader of the Opposition. I sympathize with his position, but nevertheless this is happening in this country and I have not heard him deny it.

Mr. Chairman, I should like to ask the Leader of the Opposition, if we were to accept all his suggestions and inject another billion dollars into the Canadian economy this year, what would he be saying 18 months from now when inflation in this country would be away ahead of inflation in other countries and we would be unable to compete in the export markets and carry on with the relatively easy prices we want to achieve in Canada?

The Deputy Chairman: I recognize the Leader of the Opposition once more, and after that I think we should go on to another member.

Mr. Stanfield: Mr. Chairman, I wish to say something that is relevant to the bill. As I did when I started, let me say that when the minister talks about my being concerned, I am very concerned about the unemployment that exists. I am very concerned about the inadequacy of the measures proposed in this bill. I am concerned about the increase in taxation, which is a step in the opposite direction to that which the opposition proposes at the present time. I am concerned that the clause with which we are dealing is very inadequate for the purpose for which it is designed.

The minister can talk all he likes about his confidence, his forecasts or anything else, but the fact is that there are some 750,000 people out of work. He says this figure is moving down. I say as I said before, that I see no forecasts by independent economists this year which indicate any expectation of growth based upon the present policies and which would cut into unemployment to any degree. I am not talking about unemployment moving down as summer approaches; I am talking about unemployment seasonally adjusted.

The minister cannot point to any prediction by any independent economist that any growth forecast this year will cut into unemployment to any extent. We read a statement made yesterday by the chairman of one of his own commissions to this effect. I urge the minister not to be so stubborn, to listen to advice that is being given to him by others and recognize that the measures he is taking will not in fact reduce unemployment this year.

He spoke a few minutes ago about the measures I propose as being inflationary. One day he says these

measures are inflationary and the next day he says they are not. I say to the minister there is no reason to believe the kind of tax reduction I have proposed would be inflationary in the present circumstances. The minister admitted the other day in the House that he was not making that complaint. Now he has reversed himself and is arguing that it is inflationary.

Dealing specifically with the bill, I say that this provision is directly opposite to what is required today; it is a deterrent to expansion. This measure is inadequate. One reason in particular it is inadequate is that investment forecasts for 1971, 1972 and 1973 are too weak in any event, and there is not in this measure any encouragement to investment.

Mr. Barnett: Mr. Chairman, I am not rising to attempt to say whether the Minister of Finance or the Leader of the Opposition has the greatest cause to be worried. I am inclined to agree, as the Leader of the Opposition has indicated, that by the vigour of his rhetoric the Minister of Finance at least sounded a bit worried. I suggest to the minister that we consider the politics—as I understood him to use that word a few minutes ago—of the particular clause which is before us. I was a little amazed at the argument the minister advanced in supporting what he sees as the merits of this provision, because he launched into a rather windy dissertation on the causes of unemployment and what one should do to correct it.

• (8:40 p.m.)

I could have understood it if the minister had stood up in the House and suggested that in his view this capital cost allowance arrangement was designed to increase the long-term efficiency of the industrial machine of Canada by encouraging firms to invest in modernized equipment. This would have made political and economic sense. But if the minister is going to argue that it will help cope with the current unemployment situation and will have the effect of reducing unemployment, I would like him to bring some cold, hard statistics and facts before the committee to bolster and verify his argument.

My own observation is that the immediate result of the introduction of new machinery into plants is a reduction in the level of the work force required in a particular form of production. As a matter of fact, unless the minister can prove otherwise, this is almost axiomatic. There may be a long-term effect in the stimulation of the economy that over a period of time will lead to a total increase in the level of economic activity and which will have a beneficial impact in respect of the numbers of people required in the work force, but that was not the basis of the minister's argument.

The minister was trying to tell the committee that this clause would have an immediate beneficial effect on the unemployment picture. He could argue that there would be more employment in construction, but if he wants the House to give serious consideration to his proposal he should say exactly what he means. He should say how much this will improve employment, and in what sector of the work force, for how long it will improve it and what will be the net result in relation to construction activity as compared with the reduction, if any, that will take place in the production work force.

To give an example of what I have in mind, Mr. Chairman, I remember that we had a discussion on this very point when the President of the Privy Council first made the announcement in the House about the decision to construct the heavy water plant at Glace Bay, Nova Scotia. I asked him questions on this very subject. He had made a statement to the effect that it would be a great stimulation to employment in that area of Nova Scotia. But when some of us tried to pin him down, we discovered that while there might be a very temporary increase in the number of employed, the actual number of permanent jobs to be created by that project would be very small.

Rather than taking off into flights of fancy about what this clause will do in relieving unemployment, it seems to me the Minister of Finance should analyse the effects of his proposal, for the benefit of the committee, in such a way that those of us who are prepared to give it serious consideration on its political and economic merits would have some grounds to go on.

Mr. MacInnis: Mr. Chairman, I rise because of references that have been made to a matter which is of great concern to me, to many Nova Scotians and to Cape Bretoners in particular. First of all, I take strong exception to the remarks of the Minister of Finance suggesting that the Leader of the Opposition said the minister should not be interesting himself in creating jobs. In suggesting that the Leader of the Opposition said he, the Minister of Finance, should not worry himself about creating jobs, the Minister of Finance reached far overboard to accuse the Leader of the Opposition of something he did not say.

The Minister of Finance has brought the question of Deuterium into the debate this evening. I am concerned about the effect of those remarks and about the sniping that has been carried on by the preacher from Renfrew who does not know anything about what he is talking about, whether it be about heavy water or about his own constituency—

Mr. McBride: Read the record.

Mr. MacInnis: I will give you something to read. If you want to read the record, read it tomorrow morning. I am very concerned about the attitude taken on the other side of the House, with the government's remarks more or less pointing in the direction that the heavy water plant at Glace Bay may not be rehabilitated. I am sorry to say this is the interpretation I have taken from their remarks. I hope I am wrong. Recently the government made a considerable amount of money available for further study of the project, and there is no question that the Premier of Nova Scotia at every possible opportunity has expressed the hope that the plant will go on.

Mr. Benson: So do I.

Mr. MacInnis: I am glad to hear the minister say that. I will repeat that he said, "So do I."

Mr. Benson: I hope we can afford it.

Mr. MacInnis: The minister has made another crack, which I won't try to interpret, about Nova Scotia not being able to afford it. I wonder what consideration the government of the day gave to what Nova Scotia could afford when it pushed that province into a position which it did not want to occupy. I will give the minister a few facts which he can check out. I say that the federal government at that time pushed the province of Nova Scotia into an investment far above what it first intended, when it insisted at the time the heavy water plant was being initiated as a result of the efforts of the Nova Scotia government—

Mr. Gibson: Mr. Chairman—

Mr. MacInnis: Sit down.

Mr. Gibson: Mr. Chairman, I submit that the remarks being made by the hon. member are completely out of order in that they do not relate to the bill. I submit that his remarks are diverging from the point of the debate and are irrelevant, and that he should be brought to order.

Mr. MacInnis: Mr. Chairman—

The Acting Chairman (Mr. Richard): Order. I do not think the hon. member has a point of order, although I am still waiting for the hon. member for Cape Breton-East Richmond to indicate how he relates these remarks to the clause in question.

Mr. MacInnis: Mr. Chairman, dealing with the point of order, I submit that the hon. member for Hamilton-Wentworth should go home and dry behind his ears. So far as the basis on which I am making these remarks is concerned, I have taken my precedent from the fact that the Minister of Finance on many occasions this evening referred to the deuterium plant at Glace Bay.

I have stated that the federal government pushed the Nova Scotia government into an investment far above that which it intended, when the federal government insisted upon 51 per cent ownership. One of these days I will tell the complete story. I suggest that the Minister of Finance look back at who took the credit for the heavy water plant. I would remind him that it was the then minister of industry, Mr. Drury, and the then Minister of Labour, Mr. MacEachen, in a joint statement, one in Ottawa and the other in Halifax, who laid claim to bringing that plant to Nova Scotia.

If he wants more proof he can look into the record at a question asked by the then hon. member for Halifax, now the Premier of Nova Scotia, when he stood up in this House of Commons and asked the then Minister of Labour whether he would continue the same type of representations that brought the heavy water plant to Glace Bay. I say the record is quite clear. They claimed credit at that time when it appeared to be a very sound investment, and I still say it is sound.

• (8:50 p.m.)

What has happened there is technical. It is a difficulty which I am sure the engineers can correct, given the proper opportunity to do so. But the record shows that it was the then minister of industry, who is now the President of the Treasury Board, and the then Minister of Labour, who is now President of the Privy Council, who claimed credit for this, as well as the premier of the province of Nova Scotia who is on the record as having given full credit to the then Minister of Labour for bringing this plant to Nova Scotia. Furthermore, it is on the record of the House that the then Minister of Labour, who also represents the province of Nova Scotia, took full credit for the fact that there will be 2,000 jobs involved in the construction of this plant.

I am telling the Minister of Finance that this is only part of the story, and if I get into the details of it I will give him a few more shocks. It is within the power of the government to correct the mistake with which they have burdened the Nova Scotia government, whereby the province is in the position of trying to finance something which, as the minister said, is above their means. This they did at the insistence of the federal government of the day. The record is clear. I ask any member on the other side of the House who would like to contradict me to stand up now and tell me that I cannot produce from the records of this House the claims made at that time by the then minister of industry, the then Minister of Labour and the present premier of Nova Scotia. They are all on record as claiming the credit. Now let us see them go ahead and bring about what I want to see in Glace Bay.

The minister need not point the finger any more, because there is a great deal of responsibility over there. The minister might want to refer to the fact that if the plant had not been originally brought into Glace Bay, there is no question that a plant would not have been established in Port Hawkesbury. When it comes to the question of Deuterium of Canada, I could say something about this and thereby tell a tale which the minister would not want recorded in this House. But if he wishes to insist on this point, the minister will do a great disservice, not only to the heavy water industry but to the Atomic Energy Commission of Canada.

The handwriting is on the wall with regard to the remarks made by the Minister of Energy, Mines and Resources. He made his comments in Halifax but then he ran away. He did not want the image of a small town lawyer so he ran away from Renfrew. The question being asked in Renfrew these days is: What is the matter; is Greene yellow? Now we hear reflections from the preacher who knows nothing about the situation.

An hon. Member: Read the record with regard to Bill C-5. Where were you during the committee hearing?

Mr. MacInnis: Where were you when the people of Renfrew were looking for a decision from here?

Some hon. Members: Oh, oh!

The Acting Chairman (Mr. Richard): Order, please. I think the hon. member will appreciate that he has made his point.

Mr. MacInnis: No, Mr. Chairman, I have not concluded.

The Acting Chairman (Mr. Richard): This is not the place to make that point. I think many members have been out of order tonight. It has been entertaining, if nothing else. Some of the remarks made by the hon. member for Cape Breton-East Richmond might well have been made earlier during private members' hour, because the comments he is now making were made at that time. However, I think he has been allowed to make his point and perhaps he should develop it in another debate. At present we are on a very simple clause which, as the hon. member for Comox-Alberni explained a while ago, refers to everything but that which has been mentioned this evening.

Mr. MacInnis: May I continue my remarks, which were initiated by the Minister of Finance who was not called to order on this matter?

The Acting Chairman (Mr. Richard): Order, please. I think the hon. member should be fair to the Chair. I called the Minister of Finance to order, and we have not heard statements of that type since. I think the hon. member has had as much time as the Minister of Finance on this matter.

Mr. MacInnis: I rise on a point of order, Mr. Chairman. I should like to deal with the interjection of the hon. member for Renfrew who went on national television not long ago and told the people that he was going to speak to certain ministers and to the Prime Minister, if he could. That gives you an idea of the direction this government is taking under a Prime Minister who cannot even speak to his backbenchers.

Some hon. Members: Oh, oh!

The Acting Chairman (Mr. Richard): Order, please.

Mr. McBride: I rise on a question of privilege, Mr. Chairman. What the hon. member has just said is categorically untrue. I did not say on television, nor did I say either inside or outside the House, that I was going to speak to the Prime Minister, if I could.

Mr. MacInnis: I apologize to the hon. member for Renfrew. He did not say he was going to speak to the Prime Minister, if he could.

Mr. McBride: I am not the member for Renfew; I am the member for Lanark-Renfrew-Carleton.

Mr. MacInnis: Again I apologize, Mr. Chairman; I did not know the hon. member was from Lanark-Renfrew-Carleton. I made a mistake in referring to him as the member for Renfrew. However, did you notice that he himself had trouble in naming his constituency? He staggered over the name.

The Acting Chairman (Mr. Richard): Order, please. I would ask the hon. member to co-operate with the Chair. The Chair has been very generous and understanding, which is not in accordance with my Irish temperament. However, I will allow the hon. member to continue.

Mr. MacInnis: I have one more remark to make with regard to the concern of the Minister of Finance for the unemployed of this country. I wonder if the Minister of Finance realizes that his government is supporting a board of directors who can pass a bylaw which would violate existing working agreements and contracts. I wonder, also, whether he is aware of the fact that there are about 1,500 miners walking the streets of Cape Breton who receive a cheque every second week amounting to one cent. I have here one dated October 12, and another one made out to the same person, dated October 26, for the sum total of one cent, in other words, half a cent a week. If the Minister of Finance wishes to check this, I will lay these samples on the table for his benefit.

Mr. Baldwin: Table them.

Mr. MacInnis: I will table them for the benefit of the Minister of Finance, to demonstrate the generous approach of this government. This is the retirement allowance for a whole month for one man. If the minister wants to question that further, I can say something more on it. To return to the situation in Glace Bay, where the people of the province, including the Premier, hope that the situation will be corrected and that jobs will be provided, I can only repeat what they ask in Renfrew: Is Greene yellow?

Mr. Burton: Mr. Chairman, some of the exchanges that we have heard tonight between members of the government and members of the official opposition remind me of two schoolboys who start a dialogue that goes something along these lines, "You are a stinker," followed by "You are a stinker too", followed by "You are a bigger stinker", and on and on it goes.

However, I want to thank the parliamentary secretary for providing an answer to one of my questions tonight when he gave the figure of $450 million as being the total benefit which the government estimated would accue to corporations, for the most part as a result of the extension of capital cost allowances between December 4, 1970, and March 31, 1972. He also pointed out that of this sum, $25 million would be written off, it was estimated, during the 1971-72 fiscal year. The minister also pointed out in answer to my question that it was estimated that the revenue increase as a result of the proposals contained in clause 2 to extend the 3 per cent surtax in 1971 would amount to $240 million. The greater proportion of this $240 million will of course be charged against individuals as they pay their individual income tax, and a portion of it will apply to corporations paying corporation income tax. So when we say the sum approaches $200 million, I am not sure what the exact figure is in terms of the ratio between the two taxes. It will approach $200 million which will be charged to individuals as a result of the changes to be effected under this bill.

• (9:00 p.m.)

There will also be a net benefit of $450 million to corporations, less the extra amount that they will have to pay in corporate income tax on the other side of the ledger, as a result of this legislation. Thus we see that we have a transfer of benefits as a result of this legislation, Mr. Chairman. Under the proposals contained in clause 1, corporations and business enterprises of this country will achieve a significant saving; they will benefit a great deal. If it could be safely said that this would stimulate the economy and make it healthier, possibly some justification or rationale could be developed to support the government in the proposals we are now considering.

I noted that the parliamentary secretary in his remarks after I had asked him some questions shortly after eight o'clock, indicated that he had reviewed my speech of March 3 during the supper hour. I do not know if he had read it before then. However, he seemed to indicate that he did not find too much to comment on in the speech. If that is his view, he is entitled to it. I ought to point out to him, in case he happened to overlook it, that I referred to the impact and some of the consequences that would flow from some of the proposals in this legislation. I draw his attention to the statement to be found near the bottom of the first column on page 3930 of *Hansard* of March 3, where I said:

> There are really two important consequences which arise out of this which should be noted. The first is that businessmen could accelerate their investment plans or proceed with investment plans that had previously been marginal, both in order to take advantage of the more generous allowance being proposed. Secondly, businessmen who had already made investment plans will receive a windfall gain.

The proposition that such a change in capital cost allowances as is contained in this clause will benefit enterprises which might be considered marginal does, of course, involve some judgment and might be difficult to support in argument one way or the other. I simply advanced it as a point which should be subject to further study. I do not know whether the government has studied this point or whether it has conducted any studies on the consequences of this proposal. The other suggestion was that businessmen could accelerate their investment plans. This may be so. I want to deal with that point later, Mr. Chairman. That, of course, is another point that I feel deserves consideration and further comment by the government.

The other point I raised was with respect to businessmen whose investment plans had already been made. I suggested that they were going to be the beneficiaries, for the most part, of a windfall gain resulting from this change in capital cost allowances. That, of course, is not just my assertion or suggestion; that proposition has been brought forward by reputable people who have given the matter close study. I noted later in my remarks that I felt the proposals presented by the government with respect to the proposed change in capital cost allowances would not have very much impact in 1971; they would not have very much impact right now—and this is the time, of course, when the economy needs stimulation.

I pointed out that there could be some resulting distortions in terms of benefits received as a result of this change in capital cost allowances. I also pointed out that the DBS survey of capital spending intentions for the 200 largest companies in Canada indicates an 11 per cent increase in 1971. That survey was taken before the Minister of Finance made his budget statement. I pointed out that the increases in the manufacturing sector are expected to be rather moderate. That by itself could be used as justification for some policy change, if it would have a beneficial effect on the economy.

I also pointed out that while the over-all change in capital investment in manufacturing be considered rather moderate in impact, there were considerable differences as between various sectors of manufacturing industries. It was noted that the Economic Council of Canada, in its medium term capital investment survey, projects about a 9 per cent increase in 1971 for all industries and some 6.2 per cent in the manufacturing sector. For foods and beverages there is an increase of only 1.2 per cent; for pulp and paper there is a drop of 11.9 per cent; for primary metals, an increase of 40.8 per cent; for chemicals, an increase of only 11.4 per cent; for transportation equipment, a drop of 36.6 per cent; and for others, an increase of 15.7 per cent.

The primary metals industry, which is to experience a 40 per cent increase in its capital expenditures during 1971 as a result of plans made prior to the budget statement of last December 3, will benefit a great deal as a result of these proposals. The pulp and paper industry on the other hand, which is currently suffering from overcapacity, will not receive very much from these proposals. Thus we see a very uneven impact on the economy as a whole resulting from this proposal.

Later, Mr. Chairman, I also noted that a *Financial Post* survey published in the December 12, 1970, issue suggests that the immediate reaction of companies surveyed was not one of enthusiasm for the proposal of the Minister of Finance. I drew the attention of the House to part of an article in the *Financial Post* of that day which reads:

> Ottawa's policy makers are counting heavily on the budget's extra write-off to spark new capital investment in 1971—but so far industry is reacting coolly to the incentive.
>
> Finance Department officials told *Financial Post* they expect that the rise in capital cost allowances to 115 per cent will have the biggest economic impact of the various measures proposed.
>
> Industry—to judge by an FP round-up of opinion this week—thinks the incentive will provide "only minor stimulus" to industrial expansion.
>
> That is the view of most makers of pulp and paper, food equipment, plastics, steel, computers and other products canvassed by FP. Only a few companies said Benson's proposal might have any effect on their expansion plans.

I drew the attention of the House to some of the reasons for this situation as pointed out in this *Financial Post* article. In that connection I read these paragraphs:

> But design, land, purchase, and other preliminary activity would take about a year and a half. Construction could probably only be started when Benson's program was ending.
>
> Ironically, companies that had already made expansion decisions but had not yet received machinery or equipment or

taken possession of new buildings will receive an unexpected windfall.

Thus it seems to me that we must consider a serious problem. If the Minister of Finance and his parliamentary secretary have learned anything as a result of their studies, or as a result of their contacts with business and industry, which would counter the propositions put forward in this article we should like to hear them say so. The House and the committee are entitled to hear them because, Mr. Chairman, we are considering a very generous new capital cost allowance to business and industry. We have to make certain that it will achieve the objective hoped for by the government and that in fact it is introduced in an equitable fashion. I think there is little hope for the latter. That is a question we could argue at considerable length: it is a very important matter.

• (9:10 p.m.)

We still have not heard the government's assessment of the situation with respect to its stated objective of stimulating economic growth in Canada. As I indicated earlier, one of the major points we made on second reading was that this proposal would have very little impact at the present time. It will have very little impact during the life of the proposal. It may encourage or stimulate some further activity. However, Mr. Chairman, I suggest the time for economic stimulus is now. There are 668,000 people out of work. When the latest figure is published shortly it will probably be somewhere in the area of 750,000. Most reputable studies indicate that the pick-up in the economy through most of 1971 will be relatively slow. It will be near the end of 1971 before there is any build-up of economic activity. That will be near the end of the period when the benefits will be available.

In his exchange with the Leader of the Opposition earlier, the Minister of Finance expressed his concern about inflation in the future. I wish we had some evidence that his financial proposals are constructive. The proposals contained in this bill are such that they will contribute to any inflationary trends that may develop during 1972. I suggest that we have a quite different consideration. It has been suggested on a number of occasions that the government is not very concerned about economic activity being stepped up quickly at the present time. The government would like to pace it. In fact, the government would not be at all unhappy to see economic activity really begin to build up near the end of 1971 and continue into 1972. The situation in 1972 would then be as suggested earlier by the Minister of Finance. The reasons for this are not only well known to the Minister of Finance but to all members of this House.

If a different course were adopted and there were a tax cut, an increase in exemptions or a changeover to a tax credit system now, this would be of direct benefit to Canadian taxpayers. It would provide the needed stimulus in the economy at the present time—not six months, nine months or a year from now—when the minister would like to see the highest level of pick-up in our economy. We need stimulus now to deal with the problem of the thousands of people out of work. In his earlier remarks the minister spoke about the success of the policy of the government. I am sure those words sound very hollow to those out of work at the present time.

In my remarks on second reading I pointed out—the parliamentary secretary seems to have overlooked this—some remarks made by the Minister of Finance in an interview with a reporter of the *Monetary Times* in September, 1968. He pointed out that he had some doubts about the way the capital cost allowance program was working. It has been stated on a number of occasions that the government is going to review the capital cost allowance program and the manner in which it is working. I do not know what stage that review has reached. There are further features built into this program as a result of the proposals of the government. The government is going to use the capital cost allowance program as a further stimulus. They think this will help the economy, while at the same time they have serious doubts about the entire program. This is a matter of real concern.

There are two other concerns which should be noted. One, which I referred to in my remarks of March 3, is in connection with the regional implications of this program. What effect will it have in terms of regional development in Canada? Is there any co-ordination between our regional development programs? There is now a very high level of assistance to many companies in various parts of Canada to expand their secondary manufacturing and processing facilities. This is of very material benefit to many of these companies.

Serious doubts are being cast on this program at the present time. I do not intend to deal with them now. However, it must be noted that there are implications involved in terms of the proposals presented by the government in this legislation. We need to examine what impact this measure will have on the entire regional development program.

I wish to comment on one further point which deserves consideration. That is the question of the relationship of the government' proposals in this clause to its forthcoming policy on foreign ownership. We presume this will be brought forward within a reasonable time. Has there been any attempt to take account of the government's policy in the coming weeks, months or possibly years, if it drags on that long? I presume that this legislation will be of as much benefit to American and other foreign-owned concerns as to Canadian concerns.

The Chairman: Order please. I regret to interrupt the hon. member, but his time has expired.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I shall be brief. I have a few questions to ask the Minister of Finance (Mr. Benson).

Why has he forced Canadians into unemployment under the pretext of fighting inflation? If he imposed the 3 per cent tax to control inflation, how come we are told today that inflation has disappeared all of a sudden? Why in the name of economic conditions, is there now a proposal to extend the application of this surtax under

the pretence that it will allow investments, reduce unemployment and create incentives?

Could the minister explain what is logical in all this?

[*English*]

Mr. Benson: I very much respect the opinions of the hon. member for Compton. When the government introduced its budget last December it had to make the very serious decision whether it would stimulate the economy through increasing expenditures in selected areas of Canada where unemployment was very high, or whether it should take general measures with regard to a tax reduction. At that time the government decided it must choose to spend money in selected areas rather than make a general, across the board tax reduction.

• (9:20 p.m.)

I appreciate that one is walking a thin line: how much can a government raise from the public in order to carry out its activities? The change in the government's position over the past two years has been remarkable. Whereas the government in 1969-70 was taking net cash out of the economy, we are moving into a position where this year we shall be putting more than $1,500 million into the economy and the figure will run over $2,000 million in 1971-72.

It is a matter of choice. We cannot have it both ways. If the government is to put substantially more into the economy by spending in particular areas, tax levels must continue along the same lines, unless it can both reduce taxes and increase expenditures without causing interest rates to rise or pressure on the dollar to increase.

Mr. Burton: I wish to put a question to the Minister of Finance having to do with the application of this proposal. It has been suggested that it would be of greater benefit to the Canadian economy if some way could be found whereby the benefits proposed in this clause could be restricted to machinery, equipment and facilities which were manufactured in Canada.

I recognize that this might be of benefit to certain Canadian firms, enabling them to raise their prices in an unnatural way. At the same time, there would be undoubted advantages. I wonder whether the minister gave any thought to means whereby this proposal could be restricted to facilities and equipment made in Canada so as to ensure that the greatest benefit from this proposal, to the extent that there may be any benefit, would accrue to Canada and Canadians.

Mr. Benson: Certainly the government is interested in having as much of the equipment manufactured in Canada as possible. However, we did not think this particular provision in the Income Tax Act should be limited in the way suggested. After all, we are trying to encourage investment of all kinds. As far as the encouragement of the manufacture of machinery in Canada is concerned, tariff barriers are set so as to discourage the entry of foreign equipment. Only in cases where people can prove, through the machinery adjustment board, that the machinery they require is not manufactured in Canada may they import machinery at favourable rates. The object the hon. member seeks is handled through other means than the measures we are introducing here.

Mr. Burton: Has the minister any estimate as to the proportion of machinery and equipment which is likely to be Canadian in origin, or principally Canadian in origin, as a result of expansion carried out in consequence of these arrangements?

Mr. Benson: That is a difficult question to answer because the proportion varies so widely as between industries. Other programs approved by the House tend to encourage the manufacture of machinery in Canada as far as possible. I recently had dealings with spokesmen for a particular industry who wished to take advantage of this program, and I emphasized the importance we place upon having machinery manufactured in Canada if at all possible. In connection with several major projects now under way, the people concerned have tried very hard to have the machinery manufactured in Canada as far as possible, and the Department of Industry, Trade and Commerce, together with my own department, have given every encouragement to work in this area.

Mr. Skoberg: The legislation now before us deals with the subject of assistance to industry generally. It would be interesting to know whether the minister has given any consideration to the situation of those who have to travel to their places of employment and pay for the tools they use. I realize this may not be relevant to the bill before us but having regard to the assistance this measure is designed to bring to those engaged in industry, surely action could be taken amending the Income Tax Act so as to make the necessary provision in the two areas to which I have referred.

Mr. Benson: I can assure the hon. member that in the government's consideration of taxation generally, great consideration is being given to both the points he has raised. They are not involved, of course, in the bill before us, but I can assure him that serious consideration is being given to both those points.

The Chairman: Shall clause one carry?

Some hon. Members: On division.

Clause agreed to.

On clause 2—

Mr. Woolliams: We are dealing here with surtax. Surtax is imposed on an individual at the rate of 3 per cent of his basic tax in excess of $200 and is to be extended to the 1971 taxation year. Is there a ceiling on the amount which can be paid?

Mr. Benson: No, Mr. Chairman. As hon. members may recall, the ceiling was taken off in 1968.

Mr. Stanfield: There is no ceiling on taxation under this government.

Mr. Benson: Really! You and I have had enough discussion for one night. With the encouragement of the

opposition, the ceiilng was taken off. There is a bottom level, though.

Mr. Woolliams: We remember the famous surtax which at that time was 5 per cent instead of 3 per cent. The government was brought to defeat on that issue, though it would not resign. I understand that because of the shakiness of the dollar at the time there was some question whether the constitutional issue should be pressed. The story has been partly told. Our memories are not so short that we do not recall that occasion.

It seems to me, from what the leading economists both in Canada and the United States are saying, that the only way in which to get the economy rolling, to use the minister's words, is to cut taxes. The minister leaves the impression that this budget does not increase taxes. Nevertheless, the government is reinstating the 3 per cent surtax, thus adding to the incidence of taxation on an individual or on a corporation. So really we are running contrary to everything recommended by economists both here and in the United States. The United States has recommended and has cut taxes. I did not speak on the first clause because enough was probably said, both relevant and irrelevant. But there is nothing in the budget to suggest any stimulation as far as the economy is concerned.

• (9:30 p.m.)

I agree with my leader that this Minister of Finance is unique in his predictions. Every prediction that he has ever made in any budget speech since he has been Minister of Finance, and I have been here all the time he has been Minister of Finance, has been millions and millions of dollars out, so it is difficult to take anything he says seriously. He seems to talk without reference to any authority, economic or otherwise, and as far as I am concerned we cannot take seriously any predictions that he makes tonight or on any other occasion.

Mr. Benson: Mr. Chairman, may I say we have a mutual admiration society. I believe the same thing of my hon. friend.

Mr. Woolliams: Well, I know my words have gone very deep, because he has been very hurt since I attacked him on his white paper. He was a professor at university, and on that occasion I called him a small town bookkeeper. My diagnosis at that time has not really changed as far as his ability as Minister of Finance is concerned. The minister talks of getting the economy rolling. One of the reasons taxes should have been cut is that at the end of this month 300,000 students come out of universities and colleges and enter the market seeking employment.

Mr. Stanfield: And there is no plan.

Mr. Woolliams: No plan whatever. We have continually asked questions about this and been told that there is a plan up the government's sleeve. Two or three days after the questions were put to the minister and to the Prime Minister we read in the paper that so many million dollars would be provided to enable students to travel either in Canada or overseas. This is a good time, when considering this amendment, to hear from the minister. The minister talks of doing something to get the economy rolling, to provide more jobs so unemployment will drop, so I suggest we should have some definite proposal now, not only for university students but for college students.

I would have thought the minister would have reduced taxes instead of increasing them. I suggest he come forward with an incentive plan for individual business people and corporations whereby if they hire a student they will get a tax benefit as an incentive. Perhaps the government might go in on a 50-50 basis. We do not want to go through another season like last year when thousands of students wandered aimlessly across Canada. Even the students themselves were not impressed with the armouries and other federal buildings that were used as hostels for Canadian youth. The minister said we are doing more for our youth than any other western country, but we are doing less, because there are more university graduates with degrees out of work at the present time than ever before.

I am glad the hon. member for Calgary South is here, because he is a lawyer and knows about this. Indeed, he and the Minister of Finance applauded the government when they had a capital cost deal to kill off the economies of Calgary, Edmonton and Vancouver. Let me inform hon. gentlemen that out of 61 young lawyers graduating in Alberta, 32 students do not have a place to article this year. That is an example of what is going on across this country as far as our youth are concerned.

Mr. Mahoney: Mr. Chairman, on a point of order, I think if the hon. member re-reads the letter he will find that the figure is 81 rather than 61.

Mr. Woolliams: Then if that is right, it makes it worse. If my memory serves me right it is 61, but if the hon. member is correct and it is 81, that means there are still 31 or 32 students looking for jobs. Whether it be this field or any other field, what have you got? You have no opportunity, no incentive for youth. This clause should be opposed vigorously because it does absolutely the opposite to creating incentives for business to hire young people and students. The government talks about seasonally adjusted figures, but unemployment is nevertheless on the climb at the present time. I should like the Minister of Finance to prove that the proposition that the only way to increase employment at the present time is to cut taxes is economically unsound. Yet he is increasing taxes and therefore aggravating the situation.

The Minister of Finance attacked our leader and other members of this party. Let me say before the press tonight—

Some hon. Members: What press?

Some hon. Members: Oh, oh!

Mr. Woolliams: Well, the fact there is no member of the press present does not disturb me at all. If the friends of the Minister of Finance agree that the proposed increase in taxes will provide opportunity and jobs for the young people of Canada, they are in the same camp

as the Minister of Finance. I should like to hear the minister say now that the fact he is increasing taxes in the budget will get the economy rolling and give opportunity and jobs to Canadians, the young and others. I need not say any more.

Some hon. Members: Hurrah!

Mr. Woolliams: My hon. friends over there, particularly my friend from the Northwest Territories, seem to have got somewhat exuberant over the supper hour, though I do not know why. Perhaps they are more impressed with their supper than with the budget, which is why they are applauding at the present time.

Mr. Reid: We would not have the nerve to disgrace ourselves like this in the House.

Mr. Woolliams: Well, I leave it to the Chairman and to others to decide who are disgracing themselves now. I see the minister moving back from his squad, the group that has been yelling and shouting all night, which shows that even he is ashamed. I hope the minister will answer my question before others speak. Does he take the position that he is going to give opportunity and jobs to Canadians by increasing the taxes of Canadians? Or, putting it the opposite, more positive way, does he admit that the only real solution, one put forward by people who have knowledge of economics, is to cut taxes and get the economy rolling?

Mr. Benson: Mr. Chairman, the question asked by my hon. friend I answered in some detail a few minutes ago—

Mr. Woolliams: Say yes or no.

Mr. Benson: —when replying to the question raised by the hon. member for Compton. If my hon. friend reads what I said, he will find I answered this question in some detail.

Mr. Burton: Mr. Chairman, taking a look at the wording of this clause, it becomes more interesting each year. It provides:

> This section is applicable to taxation years commencing or ending in or coinciding with 1968, 1969, 1970—

And now the government is adding "or 1971". How many more years is this tax going to continue? Our only hope is that we are likely to have an election in 1972 and quite possibly the government might not want to see this tax continued into what presumably will be an election year. I hear some hon. members suggesting it may possibly be 1971, so I guess we are getting to the season for election rumours.

• (9:40 p.m.)

There are some important points to be made in respect of clause 2. I noted statements made by the Minister of Finance when he presented his budget on December 3, and later when he and his parliamentary secretary put forward the reason for continuing this surtax into 1971. At that time they said it was for the purpose of obtaining revenue in view of the government's cash requirements.

[Mr. Woolliams.]

Let us compare that with the statement made in 1969 when the minister presented his budget. At that time he said he wanted to make it clear that he was not proposing an extension of this tax from 1969 to 1970 for revenue or cash purposes but for purposes of economic stabilization.

At one time the government extends this tax for purposes of economic stabilization, and by the time it gets around to putting legislation before the House there is a downward trend in the Canadian economy or we find there is a low ebb and the government then suggests it needs more revenue. Consequently, it is going to impose this tax on the Canadian people in 1971. I think we have to go back to the situation which existed on budget night. At that time the Canadian people expected a tax cut or some benefit. The psychological impact of the budget that night was akin to a wet dishcloth in the face. The budget of December 3 last served no good purpose as far as the Canadian people are concerned; in fact, it did a disservice to the Canadian people.

I should like to make it clear that we in this party have suggested on many occasions that there should be an increase in exemptions or, better still, a changeover in respect of the tax credit system. I believe Canadians had a right to expect a tax cut last December. It would have been an effective stimulus to the Canadian economy. It would have had an immediate effect. It would have been beneficial. Instead, we have had a repetition of a tenuous struggle as manifested in the provision contained in clause 1 of this bill.

I suggest the government did not follow the course of tax reduction when it presented the most recent budget because it had an election timetable in mind. The government had taken into account the fact that if it stimulated the economy too soon, this would have an important effect on the economy and a resulting effect on the impending election. As a result, the government decided to take protective measures in respect of the economy, keeping in mind an election in 1972.

The government would never consider anything that involved a reduction in taxes or, for that matter, a tax increase until the time was ripe. I suggest this is the very callous reasoning of the government which led it to bring forward this type of proposal. The government has in mind a time period in respect of tax benefits. Anything that is of benefit to the Canadian economy should be a matter of importance to the government. The Minister of Finance and the parliamentary secretary have made no attempt to come forward with any point to indicate that clause 1 will be of assistance in stimulating the Canadian economy. On the other hand, we have in clause 2 a measure which will dampen the Canadian economy and hold back economic growth.

I suggest this measure will lead to a continuation of high unemployment. I suggest the government will maintain and continue this situation until the time is ripe to stimulate the Canadian economy in preparation for the next federal election.

The Chairman: Order, please. Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: All those in favour of clause 2 will please rise.

Some hon. Members: Order, order.

The Chairman: Order, please.

Some hon. Members: Get out.

The Chairman: Order, please. A vote has been called. If there are hon. members who entered the chamber after the calling of the vote, they will refrain from voting or leave the chamber.

Clause 2 agreed to: Yeas, 27; nays, 19.

The Chairman: Shall the title carry?

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time? By leave, now?

Mr. Knowles (Winnipeg North Centre): At the next sitting of the House.

Some hon. Members: Now.

Mr. Deputy Speaker: I understand there is not unanimous consent that the bill be given third reading now.

Mr. Greene: Mr. Speaker, I wonder if I might have the consent of the House to revert to motions.

Mr. Deputy Speaker: Does the minister have the consent of the House to revert to motions?

Some hon. Members: Agreed.

* * *

• (9:50 p.m.)

THE CANADIAN ECONOMY

CYGNUS CORPORATION LIMITED—NEGOTIATIONS BY GOVERNMENT TO ACQUIRE CONTROLLING INTEREST

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to advise the House that following previous exploratory conversations, government officials and R. A. Brown, Jr. commenced negotiations after the close of the stock market today for the purpose of considering the possibility of acquiring Mr. Brown's controlling position in Cygnus Corporation Limited. I will give a further report in the event such negotiations reach a stage of firm understanding.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would just like to say that in the circumstances there may be no alternative to what the minister is proposing to maintain control of this company in Canada. But I must say that if this is so, then this country has reached a sorry state indeed if the only possibility is for the government to move in and there is not enough incentive in this country for private industry to maintain control of private industry in Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the shortest and clearest way I can put it, may I say that we welcome this announcement.

Mr. Deputy Speaker: Is there unanimous consent that we call it ten o'clock.

Some hon Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AGRICULTURE—ALLEGED TRAFFICKING IN INDUSTRIAL MILK QUOTAS—REQUEST FOR INFORMATION

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, the inquiry I wish to make concerns the matter of trafficking in industrial milk quotas. I think perhaps I should make clear exactly what I mean. Mr. A has a herd of cows and wishes to sell them to Mr. B, who happens to have a sales arena. As a rule, Mr. A also transfers his industrial milk quota to Mr. B. Incidentally, there would seem to be quite a few Mr. B's in the province of Ontario, and no doubt elsewhere. Then Mr. B, who has a sales arena, sells off the herd cow by cow to individuals throughout the country.

Mr. B. then has a quota and he sells the quota to a person in another part of the country, which in most cases seems to be in province of Quebec. The quota is sold to someone who has a herd and not a large enough quota on which to make money. I have received a great deal of information in this regard. I have the names and addresses of a good many vendors, a good many Mr. B's, the intermediary who sells off the herd cow by cow and transfers the quota to somebody else. I do not intend to put the names and addresses on the record because I do not think it would be fair. It is not the fault of the individual but, rather, of the Dairy Commission and ultimately the government for allowing this kind of thing to go on.

One farmer who had a 9,000 pound butterfat quota sold it for $4600 in another province. This kind of trafficking goes on all the time. While apparently this is within the letter of the law, the government and the Dairy Commission have the power to stop it because, as I understand it, the Dairy Commission can prohibit the transfer of quotas either in whole or in part. This, however, is not done. I have more information in front of me, but again I do not wish to place the names and addresses on the record. However, I have substantial information and am prepared to show it to the minister privately.

These traffickers, as I choose to call them, go around to farmers' meetings and tell them they have so many quotas for sale and ask how much they will pay. The fact

is the vendor does not do very well. The purchaser of the herd, because the herd is usually bought cow by cow, does not do very well. But the middleman, as in most cases in our country, does very well; he just needs two or three of these transactions in a year in order to do pretty well.

When one has private information in respect of individual cases, one then would like to know the extent to which this kind of trafficking is going on. Therefore I placed a question on the Order Paper—I shall not go into all the details—asking in effect for the number of transactions that took place in Ontario only between April 1 and December 1 of last year. There could not have been too many transactions.

Mr. Olson: Three thousand and fifty.

Mr. Nesbitt: I asked for the names and addresses of persons who sold herds and to whom they were sold. I asked for this information in the hope that it could be made clear who is doing these things. The answer from the Dairy Commission is that it would take 700 hours to do this. I do not believe it would take that long. The minister who reports to the House for the Dairy Commission wrote me a letter in which he said he had brought my question to the attention of the Dairy Commission who replied that it would take too much time to furnish the information. I indicated I had some doubt it would take so long to produce the information. The minister then indicated it was not government policy to give out this information.

Mr. Olson: You said yourself it was not proper to make the information public.

Mr. Nesbitt: The minister will have his three minutes in a moment. I said I did not like to give the names of individuals because I do not blame them. I blame the government for allowing this to go on. The government said it was not policy to reveal these transfers between individuals, and so on. The minister may be right, but I still think he should not resist these questions as he has a habit of doing, as he did last year when he said there was no powdered milk coming in from Ireland, until the farmers broke into the plant and dumped it on the floor.

The Minister of Industry, Trade and Commerce (Mr. Pepin) did not take that position. We have this situation, and what annoys members on this side of the House is that when something is brought to the minister's attention, instead of looking into it and trying to co-operate he digs in his heels and says no, it is not so. The minister has been in this House for a long time. When he was a member of the Social Credit Party he was critical of government policy, and yet he will not look into these things.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I shall be very happy to answer as much of this garbage as I can. The hon. member indicated that it was not proper to place on the record the names and addresses of the people involved in these transactions. His question in part 5 asks for the names and addresses of the transferees in part 2. He is doing here exactly what he considers to be an impropriety.

Mr. Nesbitt: On a question of privilege—

Mr. Deputy Speaker: Order, please.

Mr. Nesbitt: If all the names were given, that would be one thing, but giving one or two names is another thing.

• (10:00 p.m.)

Mr. Olson: If you examine the answer given to the question which the hon. member placed on the Order Paper, as recorded at page 2261 of *Hansard* of January 11, 1971, you will find that I gave the hon. member all the information to the eight parts of the question that he himself regards as proper. I told him there were 3,050 parties who had transferred quotas during that period: that is what he asked for. I told him no milk quotas were retained by the Canadian Dairy Commission: that is what he asked for. I told him there were 8,758,290 pounds of butterfat transferred in the quotas. The only thing I have not told him is the personal business of individual farmers, including their names and addresses.

It is true that it would take 700 hours or 800 hours to go through the electronic files to find all that information, but even if we disregard the cost, which I am not willing to do, the hon. member has said it would be an impropriety to reveal in public documents the personal, private business of each of these farmers. I have told him I am not willing to do that, and he has said it should not be done. He is talking out of both sides of his mouth at the same time.

Some hon. Members: Hear, hear!

[*Translation*]

UNEMPLOYMENT INSURANCE—MONTREAL—REPAIR OF ALLEGEDLY DEFECTIVE COMPUTER

Mr. Roland Godin (Portneuf): Mr. Speaker, on March 1, I asked the Minister of Labour (Mr. Mackasey) the following question:

> Whereas some unemployed workers who have been entitled to withdraw unemployment insurance benefits for the past two months have not been paid such benefits and whereas the Commission's staff in Quebec City and Trois-Rivières are doing a great job, is the minister thinking about having the Montreal computer repaired since it appears to be responsible for all the errors that occur?

Mr. Speaker, if I asked the Minister of Labour that question, it is because I was convinced that it was a very good way of pointing out to him that there was something wrong at an Unemployment Insurance office.

As some citizens have been unemployed for two or three months and have not yet received a penny from the Commission, even though they are eligible for benefits, I believe questions should be asked.

Some unemployed resorted to the services of their parish priest, the mayor of their municipality, their member of Parliament and even sometimes to lawyers in

order to obtain what was due to them by the Unemployment Insurance Commission.

Fifteen or 20 years ago, when businesses often kept their books part-time, errors could happen, but we know that this is not the case today, because contractors, industrialists and businessmen have the control of their business due to a good accounting system.

To my mind, those who are responsible for this are neither the employers, nor—I am pleased to repeat it—the employees of the Commission in Quebec and in Trois-Rivières.

I should like to mention the case of a citizen who was unemployed for two months, who was penniless, who had worked for the Canadian National for five years and who was merely advised that his contributions did not entitle him to unemployment insurance benefits.

A man whose social insurance number is 226-330-979 registered at one of the offices of the Commission on October 30th, 1970. He was unemployed for three months, namely November, December and January. Early in February, he went back to work for a Montreal company with branches throughout the province of Quebec. He had worked continuously for the same company since the end of the year 1968.

Although 4½ months have elapsed since his first report, he has not yet collected anything and the Commission still owes him benefits for that period. He started to work again early in February and at the same time, he resumed his contributions. Even though neglected and forgotten as far as his benefits were concerned, he still had to pay his contributions.

I recognize that the Unemployment Insurance Commission is one of the federal organizations which has rendered the best services. However, we would like the quality of its services to be maintained and the payments to be made by more than one of the parties concerned.

In my opinion, the contributors must be protected and I am still convinced that the computer used by the Commission in Montreal is the source of our problems.

We know that the efficiency of the computer depends first of all on programming, that is the drawing up of a detailed list of instructions telling the machine how to perform. We also know that if the programmers do not provide for all contingencies, it will be practically impossible for the computer to solve the problem or else it will have to operate on unfounded hypotheses leading to problematical answers.

Technicians claim that of the three main components a computer one is the mathematical unit divided in two parts: the adding and storage units.

The adding unit is also used for subtraction and other operations ordered by the control unit. As for the storage unit, also called memory, it is part of the mathematical unit.

So, I feel that a minor investigation should be made in this field, and if the memory of the computor is faulty, it would be in order to have it repaired. According to experts, those responsible for the making and the operation of computers have added to the technical vocabulary a whole series of entirely new terms.

There is a second point worth considering. It may be that we shall have to forget about some of these terms to get back to the dollar sign, the only symbol through which the unemployed, like all other members of society, may find the satisfaction of their needs.

For all the unemployed which have been affected by a really too long period without pay, I should like the department to let us know about its projects and tell us when we can expect a normal situation in this field.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I have been informed by the Minister of Labour that the unemployment Insurance Commission has been reorganized and now has five computers throughout the country.

During the last two weeks of February 1971, none of these machines were out of order. During the first two months of 1971, all break-downs of the machines were dealt with within a few hours, the companies who rent the equipment to the government having supplied the Commission with their own computers.

No problem of the kind referred to by the hon. member for Portneuf has been referred during this period in the Trois-Rivières region. Shoud the hon. member, as he stated earlier, have specific complaints to submit for the minister's attention, he should give more details to the minister himself, who will gladly take them into consideration and scrutinize them closely.

[*English*]

YOUTH—CANCELLATION OF CONFERENCE SPONSORED BY CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on March 5, I put a question to the Acting Prime Minister regarding the announcement that a conference concerning transient youth and student summer employment had been cancelled. This conference was scheduled for March 14, 15 and 16. I asked the minister why at such a late date the unexpected announcement of cancellation was made. The reply that I received was that the government had been consulting the provinces about a program for student employment and it seemed to them the conference that was to be held might have been useful, but according to the Acting Prime Minister the taxpayers' money could be spent in a more useful way.

What prompted me to ask this question was a communiqué issued by the Canadian Council on Social Development. I think the best thing to do would be to read the pertinent part of that press release as follows:

> The Canadian Council on Social Development announces the cancellation of its conference on Services to Transient Youth and Student Summer Employment scheduled for Ottawa on March 14, 15 and 16. In light of the crisis situation, the council reached this conclusion with deep regret but felt there was no alternative when it was informed by the Department of the Secretary of State that the federal government would neither assist financially nor actively participate. The dates had already been postponed from February 21 to 23 to accommodate federal planning.

The Canadian Council on Social Development which was organizing this conference did not know why the conference had been cancelled. As I have already said, the conference was already scheduled for a period of time in February and because of the federal government it was postponed until March. This suggests to me that someone in the Department of the Secretary of State, one of the officials or perhaps the minister himself, must have given the green light to the organizers of this conference and someone in the department or in the government must have asked the Canadian Council on Social Development to postpone the conference from February until March.

My understanding is that after all the planning had gone into the organizing of this conference, and after many people had become really enthused about the prospects of such a conference which would bring together young people from all across the country—from perhaps 50 or 60 universities—as well as representatives of different community organizations, it was cancelled without explanation a few days before the conference was supposed to take place.

• (10:10 a.m.)

That is why I elected to raise the matter in the "late show" tonight. Hopefully, the congenial parliamentary secretary will shed some light on why that action was taken. The conference, in my opinion, would have been most valuable. It would have brought young people together to discuss what they want to do and means and methods of solving the problems that they have in common. I understand that the federal government would have had to pay only a very small sum in helping to cover the travelling costs of some young people and students who could not afford to bear the expense of coming to Ottawa, the location of the conference.

This conference would have dealt with problems facing transient youth in Canada and suggested suitable programs for them. It would have dealt with the problem of student unemployment and with unemployment among youth in general. In Canada about 45 per cent of our unemployed, I believe, are under the age of 25. This is a very serious problem and we ought to do something about it.

I think that a conference of this sort would have been a small step to providing some of the participatory democracy that our Prime Minister (Mr. Trudeau) talked so much about two and a half or three years ago. This input by young people would have been valuable because it would have given them more faith in our parliamentary system and government. When you cancel such a conference you are not restoring their faith. You are not restoring hope in the minds of young people about the kind of society we live in or about our government. I am afraid that when things like this keep happening young people will say: You do not look on us as people. You consider us as mere bodies, numbers, small slots in a machine. You do not think we are really here. That is the type of thinking we may find among our young people.

Perhaps the federal government or the department were afraid of any criticism that might have emerged from a conference of young people. I hope the parliamentary secretary can clarify this situation. I suspect that one reason the conference was cancelled was that the government was afraid that young people would be critical of the Prime Minister or of the type of society that this government appears to want. I ask: Why was the conference cancelled at such a late date after the green light had been given? Why suddenly, after all the plans had been made, was the conference cancelled? Perhaps the parliamentary secretary, in the short time allotted to him, will tell us if there are any alternatives open to the young people at this time.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, the main goal of the Conference on Services to Transient Youth and Student Summer Employment was to urge the government to implement their program in a particular way, and it is at present in the process of achieving that goal. The federal government will be able to make a general announcement on the matter of services to transient youth and summer employment when all consultations with the provinces are completed, which should be some time next week.

As has been said before, the federal government did not feel it would be helpful to participate in a conference prior to the completion of the consultations with provincial ministers and officials, or prior to the formulation of firm proposals for student summer employment. As well, the federal government did not regard such a conference as an urgent need since up to now it has supported a number of similar meetings with public funds. The information accumulated through earlier conferences, in addition to the experience of last summer's programs, was sufficient for the establishment of its new policy, and the consultation process now begun will offer a basis for achieving the main objectives sought by this proposal.

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Friday, March 12, 1971

The House met at 11 a.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

SECOND REPORT OF SPECIAL COMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I have the honour to present the second report of the Special Committee on Environmental Pollution. This is a brief report, being one paragraph long, and its subject has some bearing on what we are to discuss this afternoon. I wonder, therefore, whether hon. members would give unanimous consent to having it read so that at least those members who speak this afternoon will be aware of it.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I understand that the hon. member is asking for the report to be read. That is all right. However, if he is asking for unanimous consent for acceptance of and concurrence in the report, that will not be given. I am not quite sure what he is asking for.

Mr. Anderson: Mr. Speaker, I apologize for not making myself clearer. I am only asking that the report be read. I have no intention of moving concurrence in the report until Monday.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Of course, this is an unusual procedure. Normally when a report is read it is, as suggested by the hon. member for Peace River, for the purpose of having a motion proposed later, but the House can do many other things by unanimous consent. Is it agreed that the report be read on the understanding that a motion will not be put later?

Some hon. Members: Agreed.

Whereupon the report was read by the Second Clerk Assistant, as follows:

The Special Committee on Environmental Pollution has the honour to present its second report.

Your Committee recommends that it be authorized to travel to Victoria and Vancouver, from the 28th March to the 2nd of April 1971, for the purpose of hearing witnesses on the proposed oil tanker route in the Strait of Juan de Fuca and the Gulf of Georgia, and that the necessary staff do accompany the committee.

Respectfully submitted,

David Anderson, Chairman.

• (11:10 a.m.)

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fourth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Forget (for chairman of the committee).

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

[*English*]

On the order: Motions:

Mr. Woolliams: Mr. Speaker, I rise on a point of order. Shortly before the House rose last night, the Minister of Energy, Mines and Resources stated in eight short sentences the possibility of a takeover of Home Oil. He properly made the statement after the close of the stock market. I wonder whether the minister intends to make a full statement on motions on the government's intervention with regard to Home Oil, particularly since his remarks last night lacked any detail and created ambiguity even for brokerage houses across the country? The decision appears to have been made on an ad hoc basis. There is uncertainty as to any guidelines. I wonder whether the minister would make a statement at this time. If not, we will have to ask for these facts in the question period and there will be many supplementaries.

Mr. Speaker: As the hon. member knows, during the question period he might ask whether there is unanimity to return to motions for the purpose of allowing the minister to make a statement. The hon. member has done this before. I do not see anything basically wrong with it. If the minister wishes, he can indicate whether he would like to make a further statement in addition to the one made in the House last evening. If not, we will proceed with the item of motions.

Mr. Greene: Mr. Speaker, if I have permission to speak at this time, I wish to indicate it is not my intention to make a statement on motions. The statement last night was made as soon as it could be made, bearing in mind the sensitivity of the negotiations and the fact that we had to wait until the stock markets had closed. I do not think I can usefully make any broader statement at this time. Negotiations are taking place. Needless to say, they are very sensitive.

Mr. Speaker: Order, please. The minister has indicated that he will not make a statement. Perhaps it would be better if he did not reply to the question in such a way that it might be construed as a statement. I appreciate that there may be difficulty in the sense that this matter

is of very great interest to hon. members and there will be many supplementaries. I will take this into consideration during the question period.

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HOUSING

SOCIAL DEVELOPMENT COUNCIL REPORT ON INNOVATIVE PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, I ask for the unanimous consent of the House to make a motion under Standing Order 43. A few days ago the housing committee of the Canadian Council on Social Development issued a booklet setting forth a commentary on the Central Housing and Mortgage Corporation $200 million innovative program for housing. Their findings are important and relevant if we are to improve this aspect of housing in Canada. On Tuesday of this week I asked the minister in charge of housing to refer the report to the appropriate committee of the House. He replied that we would probably find some ingenious way to do so. Therefore, under Standing Order 43 I move:

That the report by the Canadian Council on Social Development on where the $200 million went be referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Order, please. The House has heard the motion proposed by the hon. member for Broadview under the terms of Standing Order 43. The motion requires the unanimous consent of the House. The Chair must inquire whether there is unanimity to put the motion to the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

NEGOTIATIONS BY GOVERNMENT TO ACQUIRE CONTROLLING INTEREST IN HOME OIL

Mr. G. W. Baldwin (Peace River): I should like to direct a question to the Minister of Energy, Mines and Resources in connection with the caught-short statement he made last night in the House. Would he indicate the criteria which motivated the government's action in intervening in the case of Home Oil in contrast to earlier cases also involving foreign take-overs in which the government did not intervene? Can we also be told whether these same criteria will apply in future instances despite any recommendation which may be brought in by the Minister of National Revenue in his report on foreign ownership?

[Mr. Speaker.]

Hon. J. J. Greene (Minister of Energy, Mines and Resources): We are, of course, awaiting the report of the Minister of National Revenue and government policy which will flow from it. At the present time there are no specific criteria concerning these matters; each case must be judged on its merits. Certainly one of the very important factors in this instance was, I think, the extremely good debate which took place in the House the other day and the very clear impression given by all members who spoke that the people of Canada, as represented by the members of this House, were very anxious that this company should be maintained as Canadian. I believe this House does represent, on these great national issues, the will of the people of Canada very clearly, and during the debate in question I think that will was made manifest very forcibly.

Mr. Eldon M. Woolliams (Calgary North): That was quite a statement. Maybe my question will clarify it. Bearing in mind the fact that the government has intervened and declared its intention to purchase a controlling interest in Cygnus, thereby controlling Home Oil, may I ask whether the thousands of shareholders have been assured by the government that they will not be penalized as a result of this ad hoc decision? Further, would the minister tell us what price the government intends to pay for the shares, and how many shares it is purchasing?

Mr. Greene: As to the details of the purchase, I do not think I would be serving the public interest by discussing them until the negotiations are completed one way or the other. With respect to the interest of the shareholders, I cannot believe that the purchase of Mr. Brown's holdings by the government of Canada or one of its agencies would be more detrimental to other shareholders than to have them purchased by a United States company.

Mr. Woolliams: I do not think this question will prejudice anyone, Mr. Speaker. Is there at this stage a formal agreement or statement of intention on the part of the government to purchase Mr. Brown's controlling interest?

Mr. Greene: I do not believe it would be advantageous, as I have said, to do our negotiating in public. Because of the great concern shown by the House with regard to this issue I did indicate as soon as I could the fact that the game had changed to the extent that the government was now negotiating. I thought I owed this courtesy to the House in view of the great interest displayed in the subject by hon. members. However, I do not think it would be useful to carry on the negotiations more publicly at this time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister whether the government

will be naming directors of Cygnus Corporation and, in turn, of Home Oil and, if so, by what method will this be done?

Mr. Greene: Again, I do not wish to go into details but I can assure the hon. member that in the event the people of Canada are involved as a result of the purchase of Mr. Brown's shares, their interest will be protected in whatever ways are adequate and proper since the people of Canada would then be the shareholders.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I put a supplementary question to the minister who is not one to use words loosely. In answer to the hon. member for Calgary North he said, as I recall it: "I am not in a position to reveal the terms of purchase". Has any option agreement been entered into? In answering that question the minister would in no way reveal the terms of the agreement or anything like it. Surely some arrangement in the nature of an option or an intent to purchase must have been entered into; otherwise the minister would not have made the announcement he made last night.

Mr. Greene: Mr. Speaker, I made my announcement last night not because anything at that time had been realized, not because any firm agreement had been reached, but because I had attempted to keep the House abreast of the situation from time to time to the best of my ability. I had indicated to the House that we were attempting to get private Canadian buyers to purchase. As soon as the situation changed in that private Canadian buyers satisfactory to the vendor could not be found, I felt I owed it to the House immediately to inform hon. members of that change. I also thought it fair to other potential Canadian buyers who were considering the situation to let them know that the government itself was now negotiating.

Mr. Diefenbaker: My question was simply this. Admirable as was the purpose and objective of the minister in taking Parliament into his confidence, is there or is there not an option? Otherwise the announcement that was made is simply nonsense.

Mr. Greene: Mr. Speaker, as I indicated at the time, the announcement was made purely because negotiations were taking place. If it is nonsense to take the House into our confidence at the earliest possible moment when the information I had previously given hon. members had changed, then nonsense it be; but the announcement was made last night because negotiations were being commenced.

Mr. John Burton (Regina East): Mr. Speaker, in view of the comment of the minister a couple of minutes ago that the government of Canada or an agency of the government of Canada may be making the purchase, could the minister indicate, if he is in a position to do so, which will be the likely course of action? Is the minister in a position to indicate which government agencies may be involved in any purchase that may be agreed upon?

Mr. Greene: Mr. Speaker, until there is something concrete and specific to disclose to the House I do not think I would be helping the successful realization of the negotiations by discussing the possibilities that are involved. But I can assure the House that our record on this issue is established by the fact that we did make a statement on motions to the House last night. As soon as I am able to give further information to the House without in any way impeding the negotiations, I shall undertake to do so.

[*Translation*]

Mr. Speaker: Does the hon. member for Abitibi wish to put a supplementary question?

Mr. Gérard Laprise (Abitibi): Yes, Mr. Speaker.

Since the minister has not found any Canadian investors, either because of a lack of confidence in the profitability of Home Oil, or because of a shortage of funds, does the Canadian government intend to take steps to cope with this matter which puts the country in an awkward position?

[*English*]

Mr. Greene: Mr. Speaker, I am not certain it was lack of money that made it impossible for Canadians to purchase; there may have been many other reasons.

Mr. Woolliams: The white paper on taxation.

Mr. Greene: I cannot assess why no Canadian buyer was ready, willing and able to meet the desires of the vendor. All I can say is that to date there has been no meeting of minds between the vendor and Canadian purchasers, and I cannot envisage any Social Credit solution that might enable the solving of this problem.

GOVERNMENT AND ASHLAND OIL PROPOSALS RESPECTING HOME OIL—POSITION OF SHAREHOLDERS

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether he can assure the House that the proposal made by the government to Home Oil is as favourable to Mr. Brown and the other shareholders, who are scattered widely throughout Canada, as the offer made by the Ashland Oil Company?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the House that there is no expropriation facet to this offer of the government. This is not compulsory buying and we are attempting to discover a position through negotiation that is satisfactory to the vendor, Mr. Brown.

Mr. Harkness: What is important, Mr. Speaker, is that the minister should be able to reassure the shareholders of this company that they are not going to be in a less favourable position or suffer a loss because of this action on the part of the government. Can he assure these people that they will be in no worse position than they would have been had the sale to the Ashland Oil Company gone through?

Mr. Greene: Mr. Speaker, this certainly will be the purpose of the government. Every attempt will be made, and I feel confident that we will be successful, to meet the position the hon. member has supported.

NEGOTIATIONS BY GOVERNMENT TO ACQUIRE CONTROLLING INTEREST IN HOME OIL

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as the Minister of Finance stated on January 31, and since that date in the House, that the Canada Development Corporation will not be used as a buyer of last resort, will the minister advise the House what mechanism the government has in mind for taking over the shares of the Home Oil Company and assure us that it will not be adverse to the shareholders?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I think a member of the New Democratic Party asked the same question earlier. As I indicated then, I do not think I can give the details of the mechanism at the present time. As soon as there is anything firm, binding and valid which I can disclose without breaching the confidence of negotiations, I will do so.

Mr. Hees: Mr. Speaker, in view of the fact that present Canadian tax law puts potential Canadian buyers at a considerable disadvantage compared with United States buyers of a company such as Home Oil, is it the intention of the minister to recommend to the government that tax changes be made in order that Canadians may have the same opportunity to take over companies that the Americans have?

Mr. Greene: I feel sure that when the current agenda of the House is cleared the tax reform measures can be brought before the House, and that my colleague, the Minister of Finance, will bring tax measures before the House that will be in every way in the best interests of Canadians.

Some hon. Members: Hear, hear!

Mr. Hees: I have a supplementary question.

Mr. Speaker: Order, please. I will recognize the hon. member on a further supplementary, but perhaps hon. members will very soon feel that we should move to another subject. I will also recognize the hon. member for Calgary North and a few others, but we should try to limit questions on this subject as soon as possible.

Mr. Hees: Mr. Speaker, will the Prime Minister see to it that the government brings forward tax changes that will give Canadians an equal chance to take over companies such as Home Oil when the legislation is introduced in the forthcoming budget?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure if the hon. member is suggesting that Canadian companies should be encouraged to invest in foreign oil holdings—

[Mr. Harkness.]

Mr. Hees: No, not Canadian companies, and you know that perfectly well.

Mr. Trudeau: The hon. member should know that this is the effect of the United States legislation which he is suggesting we imitate.

Mr. Hees: I am asking the Prime Minister whether he will put Canadian companies on the same basis as United States companies in regard to takeovers of Canadian companies.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State for External Affairs, but in his absence perhaps the Prime Minister or the parliamentary secretary to the minister might answer. This is a repetition of a question I asked on February 24. Has the minister received any reply to his letter of February 17 to William Rogers, the United States Secretary of State, offering to co-operate with the United States in a study of tanker route problems on the west coast of North America?

Mr. Speaker: Order, please. I have the impression that this is not a supplementary question. We may be getting away from the subjects we are trying to exhaust at the moment. I will recognize the hon. member later in any event. Is the hon. member for Winnipeg North Centre rising to ask a supplementary question?

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker, I am rising on a supplementary question. In view of the fact it will be the Canadian taxpayers' money that will be used to purchase shares of this company, will the Canadian government give an undertaking that its main aim will be to protect the position of Canadian people?

Mr. Greene: That is certainly our main aim, and also to maintain this company in accordance with what was the very clear will of the House during the debate that it continue as a Canadian company.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to follow through on the question. Since it is to be the taxpayers' money which will be used to purchase the controlling interest, and since there are shareholders in both Canada and the United States, in view of the statement, which is very wishy-washy, what protection will Canadian taxpayers have if there should be a dumping of shares both in the United States and Canada which drove down the market for the stock?

Mr. Greene: I would think that is a hypothetical question.

Mr. Speaker: I would think that at this point we are reaching the area of debate and argument. The hon. member for Broadview.

URBAN AFFAIRS

GOVERNMENT POSITION ON METRO TORONTO REPRESENTATIONS CONCERNING MEASURES TO COPE WITH UNEMPLOYMENT AND WELFARE COSTS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Prime Minister. Did the Prime Minister send the mayor of Toronto and his officials and Metro officials back to Toronto emptyhanded after his discussions with them yesterday? If so, does he think it is fair that Toronto taxpayers should bear the major burden of the high unemployment and welfare costs in the city which were caused in large part by the anti-inflationary measures of the federal government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not send them back emptyhanded since we said we would consider every one of their requests and give an answer very shortly. On the second part of the question, of course that would not be fair, but that is not the case since the federal government is the government responsible for unemployment insurance and with respect to welfare the federal government pays 50 per cent of the shot under CAP.

Mr. Gilbert: In view of the difficulty we will have in implementing the unemployment insurance changes prior to May 15, would the Prime Minister consider extending the seasonal benefits cut-off date beyond May 15 so that this burden will not fall on the taxpayers because of people being transferred to the welfare rolls?

Mr. Trudeau: That is precisely one of the submissions made yesterday in the brief presented by the Metro representatives to which I answered that we would give a reply very shortly.

TORONTO—REMOVAL OF DEADLINE FROM SPECIAL LOAN

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my supplementary is directed to the Prime Minister. Has the joker of the March 31, 1972, deadline been removed from the special emergency loan of $17 million to the province of Ontario as a result of the meeting yesterday of the Minister of Finance and Chairman Campbell of Metropolitan Toronto and, if so, how has it been removed?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. My understanding of that meeting between the minister and Chairman Campbell is that this problem was discussed and that the minister suggested that perhaps some ways might be found to use the loan fund in a way which might be acceptable to Metro, but that was just a suggestion discussed and to my knowledge there has been no agreement yet as to the way in which that arrangement might be arrived at.

Mr. Ryan: I take it there will be no need whatsoever for any legislative change and that the program will proceed without any hindrance in respect of the extension of the Gardiner Expressway in Toronto?

Inquiries of the Ministry

Mr. Trudeau: That is right, Mr. Speaker. So far as the loan measures are concerned, there has been no indication by the minister that there would have to be any changes made in the announcement he made in the House last December.

INCREASE IN FEDERAL GOVERNMENT PAYMENTS UNDER CANADA ASSISTANCE PLAN TO MEET WELFARE COSTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Prime Minister. In view of the representations made yesterday by the representatives of Metropolitan Toronto about their difficulties, is the government giving consideration to increasing the amount of money made available to the municipalities under the provisions of the Canada Assistance Plan to meet the emergency problem of very high welfare costs?

Right Hon. P. E. Trudeau (Prime Minister): I think the hon. member asked if there was any consideration given to an unfreezing of the percentage. If that is the question, the answer is no, Mr. Speaker.

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[*Translation*]

NATIONAL SECURITY

PUBLIC ORDER (TEMPORARY MEASURES) ACT—SECTION RESPECTING REVOLUTIONARY PROPAGANDA

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the Minister of Justice being absent, I shall direct my question to the Prime Minister.

Is there anything in the Public Order Act that would enable those who are responsible for law and order to put a stop to the type of revolutionary propaganda such as that delivered yesterday by Jacques Larue-Langlois before students of the University of Ottawa and Carleton University?

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[*English*]

PUBLIC SERVICE

GOVERNMENT POLICY RESPECTING BILINGUALISM—AVOIDANCE OF DISCRIMINATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is addressed to the President of the Treasury Board. In view of the important statement made before the Standing Committee on Miscellaneous Estimates by the President of the Treasury Board on bilingualism in the Public Service, particularly at the senior executive level, has the minister any reassuring statement to make that in implementing this policy discrimination such as is alleged in the affidavit evidence of one Jules Demicher, a senior executive officer, involving the Minister of Industry, Trade and Commerce, will not occur?

Inquiries of the Ministry

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do not think it would be appropriate for me, or, indeed, for any member of the House, to comment on this particular matter which is now under investigation.

Mr. Nowlan: Before this policy was enunciated, and levels of bilingualism were defined for years ahead, was there any prior consultation with the official bilingual commission to ensure there would not be discrimination against either French-speaking or English-speaking Canadians in the Public Service?

Mr. Drury: Mr. Speaker, I am not sure what body the hon. gentleman has in mind when he talks of the official bilingual commission, but I can assure him that the plans we have will pay particular attention to guarding against any discrimination.

[*Translation*]

ALLEGED LANGUAGE DISCRIMINATION AGAINST JULES DEMICHER—RESPONSIBILITY FOR INQUIRY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce, who did give me a reply yesterday, on a matter involving his department. I will quote his statement:

—the press reported yesterday that I had unduly intervened to increase the number of French-speaking Canadians in my department. This allegation is now being considered by the Department of Labour and the investigation will follow the normal course of procedure taken by that department.

Is the Department of Labour's investigation of the statement made by the Minister of Industry, Trade and Commerce to be carried out at the request of the minister himself or of an official of his department?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker it is being carried out at the instigation of Mr. Demicher.

[*English*]

[*Later:*]

GOVERNMENT POLICY RESPECTING BILINGUALISM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is supplementary to the questions addressed earlier to the President of the Treasury Board. The minister said that the government has plans that will deny discrimination. Will he tell us what those plans are because Public Service people all over Canada are deeply concerned? Now that the plans apparently are formulated I ask the minister this question, not to be answered by a parliamentary secretary.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would invite the hon. gentleman to attend the meetings of the Miscellaneous Estimates Committee where this subject is being extensively explored.

[Mr. Nowlan.]

Mr. Diefenbaker: Mr. Speaker, that type of answer does not brush off anything and emphasizes the fact that the government does not want to let the Public Service of Canada know what ill-treatment they are getting at the hands of the government.

Mr. Speaker: Order, please.

Mr. Nowlan: In view of the previous answer of the President of the Treasury Board, is it correct to assure that there was no discussion at all of this policy with the official language commissioner, a servant of this House, before it was announced?

Mr. Drury: No, Mr. Speaker. Such an assumption is entirely incorrect.

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EXTERNAL AFFAIRS

OPENING OF NEW DIPLOMATIC MISSIONS—CONFINEMENT TO FRANCOPHONE COUNTRIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the suave and sage Acting Secretary of State for External Affairs in respect of the announcement concerning the opening of a diplomatic mission in Algeria and the interesting comments thereon by the Secretary of State for External Affairs in Africa. Can the Acting Minister advise if other new missions are to be opened in the near future and if the minister's statement is to be regarded as an indication that these will be confined to Francophone countries?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would remind the hon. member that the Secretary of State for External Affairs has already informed the House, on March 1, that as far as he was concerned, he hoped that embassies would soon be opened in Barbados and Zambia, but that he would have to reach an agreement, in the course of the following months, with the Treasury Board.

[*English*]

OPENING OF DIPLOMATIC MISSION IN ALGERIA—ASSURANCE RESPECTING NO FURTHER TRAINING OF TERRORISTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question in respect of the opening of our new mission in Algeria. Did the government, before opening this mission, receive assurance from the government of Algeria that there would not be any further training of terrorists in Algeria, with them then being shipped to Canada to carry on their activities in Quebec?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in my opinion, that claim is groundless, and I cannot accept the remarks of the hon. member.

[*English*]

OIL

PROPOSED MACKENZIE VALLEY PIPELINE—INVESTIGATION OF RUSSIAN CONSTRUCTION METHODS

Mr. Rod Thomson (Battleford-Kindersley): My question is for the Minister of Indian Affairs and Northern Development. In view of the possible building of a pipeline through Canada's Arctic, has the minister done any checking with his opposite number in the Soviet Union to see how such pipelines are built there?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are informed that pipe-lines are being built in the USSR, but I do not think the Soviet Union has made much progress in the realization of these projects. However, we have quite regular exchanges with this country at the scientific level and during my coming trip to that country, at a date which has not been set yet, I hope to have the opportunity of visiting them, if possible.

[*English*]

Mr. Louis-Roland Comeau (South Western Nova): In light of what the hon. member for Esquimalt-Saanich said two days ago, that there should be a moratorium on statements made by ministers until the government makes up its mind on the subject, does the government intend to follow this advice?

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—RESPONSE TO CANADIAN OFFER TO UNITED STATES TO CO-OPERATE IN STUDY OF POLLUTION THREAT

Mr. David Anderson (Esquimalt-Saanich): I rise at a very appropriate time, Mr. Speaker. I would like to repeat my question to the parliamentary secretary—

An hon. Member: About the moratorium?

Mr. Anderson: —to the Secretary of State for External Affairs and ask him whether he has received a reply from the U.S. Secretary of State, Mr. Rogers, to the letter of the Secretary of State for External Affairs of February 17 which offered to co-operate with the U.S. in a study of tanker problems on the west coasts of Canada and the United States?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Secretary of State for External Affairs has already announced to the House that the American authorities had agreed to his request, and I can say today that consultations should begin soon in Washington.

[*English*]

Mr. Anderson: I wonder whether he would give more details on the timing of the beginning of these talks and on their duration. Perhaps he can tell us also at what level they will occur.

[*Translation*]

Mr. Ouellet: Mr. Speaker, it is to be expected that consultations will start as soon as a date has been agreed upon by both parties. With regard to the level of the consultations, I am not in a position to report to the House on this today.

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REGIONAL ECONOMIC EXPANSION

CANADIAN PITTSBURGH INDUSTRIES LIMITED—MEASURES TO PREVENT TRANSFER FROM QUEBEC TO ONTARIO

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I intended to direct my question to the Minister of Regional Economic Expansion but in view of his absence I should like to put it to the Prime Minister. It is important because it concerns employment in Montreal.

Canadian Pittsburgh Industries Limited of Saint-Laurent intends to move its operations to Ontario, thanks to a federal grant, which move will lead to 200 lay offs. I should like to ask the Prime Minister whether he intends to intervene immediately to prevent the transfer of that industry to Ontario, since it will affect employment severely in Montreal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall take note of the question and discuss the matter with the minister.

Mr. Valade: Mr. Speaker, I have a supplementary question.

In view of the importance of the situation, I would like to ask the Prime Minister if he intends to make a statement on Monday in order to prevent such a move?

Mr. Trudeau: Mr. Speaker, I have no intention of making a statement, but the minister will doubtless be in a position to answer questions if the hon. member is in a position to put them at that time.

* * *

[*English*]

NATIONAL SECURITY

ALLEGED MISUNDERSTANDING RESPECTING APPREHENDED INSURRECTION—DISCUSSION OF INCREASED POWERS OF SEARCH AND DETENTION WITH PROVINCES—INTRODUCTION OF LEGISLATION

Mr. David MacDonald (Egmont): My question is for the Prime Minister. It relates to the remarks of the Minister of Justice last night in Toronto. In view of the continuing concern of the Minister of Justice for those who have not fully appreciated the extent of the threat last fall or the response of the government to the threat of apprehended

insurrection, what steps is the government taking to clear up the possible misunderstanding that the Minister of Justice believes still exists in the country?

Right Hon. P. E. Trudeau (Prime Minister): Possible misunderstanding of what, Mr. Speaker?

Mr. MacDonald (Egmont): Possible misunderstanding both as to the nature of the threat of last October and the nature of the government's response.

Mr. Trudeau: There is no misunderstanding on this side of the House, nor indeed in the country, I believe.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): Perhaps the Prime Minister would like to take notice of the question and consult the Minister of Justice about it. I would like to ask as a supplementary question whether, in view of the minister's remarks about the possible need for increased powers of search and detention and arrest, these matters have been discussed with various Attorneys General across Canada, and whether the government is now in fact preparing legislation of this nature to bring in before the end of April.

Mr. Trudeau: The government indicated that before the end of April the Parliament of Canada will be seized with this very matter, and it is our intention at that stage to hear the opinions of the opposition and indeed of any other authorities in Canada who want to participate in the elaboration of such a legislative measure.

Mr. Speaker: The hon. member for Surrey-White Rock.

Mr. MacDonald (Egmont): I have a further supplementary question, Mr. Speaker.

Mr. Speaker: Order. I suggest to the hon. member that we are running short of time. He will have noticed that members behind him, in front of him and to his sides are anxious to ask questions. If there are only a few minutes left and he wants to ask three questions, someone will suffer. I will allow him a further supplementary question and then go on, with my apologies, to the hon. member for Surrey-White Rock.

Mr. MacDonald (Egmont): Since this is a matter of major importance and three months have passed since the passing of the temporary measures act, when will the Prime Minister or the Minister of Justice be prepared to put forth federal government proposals so that there can be a thoughtful discussion by the Canadian people?

Mr. Trudeau: We have always undertaken to the House that it would be done before April 30. We have never said that it would necessarily be before that time. It will be done as soon as it is possible, and I am sure that the House will be very anxious to proceed with the discussion at that point.

[Mr. MacDonald (Egmont).]

CRIMINAL CODE

MAINTAINING AND STRENGTHENING OF BREATHALYZER PROVISIONS

Mr. Barry Mather (Surrey-White Rock): I have a question I wanted to direct to the Minister of Justice, but in his absence possibly the Minister of Transport will be allowed to take notice of it or perhaps to reply. Having in mind the very agreeable recent drop in the number of motor vehicle fatalities, about 15 per cent to 18 per cent, or 850 lives saved in one year since the advent of the breathalyzer legislation, is it the intention of the government to maintain and strengthen this law despite the occasional misguided attacks made upon it in courts?

Hon. Donald C. Jamieson (Minister of Transport): We have every intention of maintaining and strengthening the law and coupling with it other safety measures, as I have indicated to the hon. member on previous occasions.

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POLLUTION

WINDSOR, ONT.—CONTROL OF CONTAMINATION CAUSED BY UNITED STATES PLANTS

Mr. Mac T. McCutcheon (Lambton-Kent): May I direct a question to the Minister of Fisheries and Forestry who is in charge of the environment. With the installation of an air pollution index system in Windsor soon, the possibility exists of Canadian industry being forced to shut down when pollution reaches too high a level. What steps can be taken by us to stop the 90 per cent of the pollution caused there by United States plants, and will we be able to instigate legal proceedings against them in the same way that they have instigated legal proceedings against Canadian firms in Canada?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, problems of this kind are bound to arise if our standards of air quality are higher than those of the United States. I have, however, had communications from the U.S. authorities proposing high standards which are also uniform throughout North America rather than our standards being different from those of that country.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INTEREST FREE LOANS TO AFRICAN COUNTRIES—SIMILAR ASSISTANCE TO CANADIAN PROVINCES

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Prime Minister about the trip of the Secretary of State for External Affairs to Nigeria, the Congo and other African countries.

As the Secretary of State for External Affairs is handing out during his trip interest-free loans for the construction of railroads, highways and bridges, does the Canadian government intend to implement the same measures to help Canadian municipalities and provincial governments?

Mr. Speaker: I think that the question of the hon. member is rather in the form of either an argument or a suggestion to the government. He must suppose that it will be considered.

POLICY RESPECTING AID TO DEVELOPING COUNTRIES

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister.

While on his trip to Indonesia, he stated that he had learned much on Canadian aid to developing countries. Is it the intention of the Prime Minister to make a statement shortly about the change of policy that he announced in Indonesia at that time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not really announce a change of policy, but an improvement of the policy we have been following, namely, that it is the intention of the government to assist developing countries.

I could also suggest to the hon. member that interest-free loans represent only a very small fraction of the federal budget, whereas we give each year, in the form of grants or equalization payments, hundreds of millions of dollars to the provinces and indirectly to municipalities which are dependent on them, without interest.

Mr. Speaker: Order. I shall allow the hon. member to direct a supplementary question but I suggest once more that we should presently limit the number of supplementary questions.

Mr. Fortin: Thank you, Mr. Speaker.

As these are small amounts, would the Prime Minister be ready to allow a loan similar to the one granted to India, that is $211 million, interest-free, for the development—

[*English*]

Mr. Speaker: Order, please. The hon. member for Huron.

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NATIONAL DEFENCE

REMOVAL OF NON-PUBLIC FUNDS FURNISHINGS FROM CLINTON BASE

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact that considerable furnishings in the non-public funds category have lately been removed from Canadian Forces Base, Clinton, after the minister promised a delegation from the county that this would not happen until the new occupiers of the base had had a chance to purchase these furnishings, would the minister take immediate action to stop the removal of these furnishings until the future disposition of this base is known?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I gave no such promise nor could I make such a promise. Non-public funds are not government property and of course it is a matter for decision by that particular group. We have, however, recommended to the CANEX people that they delay action in this regard until a decision can be taken.

EXTENSION OF ARRANGEMENT COVERING CANADIAN FORCES IN CYPRUS—ROTATION OF TROOPS

Mr. J. M. Forrestall (Dartmouth-Halifax East): I should like to direct a question to the Minister of National Defence. I wonder whether the minister could indicate whether an extension of the existing arrangement covering our Canadian troops in Cyprus is presently the subject of negotiation and, if not, is rotation being contemplated?

Hon. Donald S. Macdonald (Minister of National Defence): I should like to thank the hon. member for giving me notice of this question. As the hon. member knows, the mandate is renewed by the Security Council every six months. The present mandate was renewed at the commencement of this year and will expire in June, 1971. Negotiations with respect to this renewal would fall within the responsibility of the Secretary of State for External Affairs. Rotation is planned and the battalion of PPCLI based at Calgary will relieve the battalion of PPCLI from Esquimalt next month.

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POWER

BAY OF FUNDY TIDES—DISCUSSIONS WITH NOVA SCOTIA PREMIER

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister. Has he been having discussions with the Premier of Nova Scotia and have they discussed the harnessing of the Bay of Fundy tides and the programming board's report? If so, would the Prime Minister report to the House anything that has transpired and any decision that might be made regarding re-examination of the programming board's report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall be having some meetings with the new Premier of Nova Scotia following a series of meetings I have been having in private with the premiers of other provinces on a more or less continuing basis. The long established practice at these meetings is that they are

private. In order to ensure a better spirit of co-operation between the two levels of government and a better knowledge of the situation of the respective governments, it has not been customary to disclose the details of such private meetings.

Mr. Coates: Mr. Speaker, I do not really care whether the meetings are private or not, but would the Prime Minister discuss with the Premier of Nova Scotia the programming board report on the harnessing of the Bay of Fundy tides in the hope that we can have a re-examination made to the benefit of the whole Atlantic area and the whole of Canada?

Mr. Trudeau: If the talks are private, Mr. Speaker, obviously it is not logical to assume that I will say what we are talking about.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. I should like to ask the Prime Minister if he could not initiate such discussions with the Premier of Nova Scotia on the basis that what is good for Nova Scotia is good for Canada and it is time that principle was adopted again?

Mr. Trudeau: Mr. Speaker, I can assure the hon. member that we will make an effort to examine all questions in the time available to us which are of interest to the people of Nova Scotia and the people of Canada.

* * *

NATIONAL DEFENCE

DOCKYARD WORKERS DISPUTE—INQUIRY AS TO SETTLEMENT—REGIONAL DISPARITY

Mr. John L. Skoberg (Moose Jaw): I have a question for the President of the Treasury Board. Can the minister tell the House whether there has been any settlement of the dockyard workers' strike in Halifax up to this time?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, it is my understanding that a few minutes ago the negotiations were still in progress.

Mr. Skoberg: In view of the statement of the President of the Treasury Board to the effect that he supports regional differences in wage rates, can he say whether he subscribes to the widening of these regional wage rates as is suggested between the workers of Esquimalt and Halifax?

Mr. Drury: Mr. Speaker, as I stated to the committee yesterday, regional wage rates are a fact of life in both the public and private sectors. Their widening or narrowing is not something over which the government has direct control. We have a large and increasingly effective program to reduce these regional disparities and we are having some degree of success in this.

FISHERIES

NEWFOUNDLAND—INQUIRY AS TO FRENCH SHIPS FISHING WITHIN 12-MILE LIMIT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Fisheries if he can report to the House whether French ships have been fishing within our 12-mile limit off the coast of Newfoundland?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, no French ships have been fishing within the 12-mile limit off the southern coast of Newfoundland, namely between Cape Ray and La Poile.

Mr. McGrath: May I ask the minister whether he has had discussions with the French authorities with respect to the proclamation of the 12-mile limit?

Mr. Davis: I have not personally, Mr. Speaker, but the Department of External Affairs has been in contact with the French government. France is the only country which has protested our approach to the over-all process of phasing vessels out of exclusive Canadian fishing zones. Our regional fisheries officer in St. John's is also in daily contact with the French consul there, so we are in communication. We have had a protest from the French government about the over-all—

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

STATUS OF NEGOTIATIONS BY ASHLAND OIL FOR TAKEOVER OF HOME OIL

Mr. John Burton (Regina East): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources who went behind the curtain just a minute ago so in his absence perhaps I could direct it to the Prime Minister. In view of the negotiations under way between the government and Mr. R. A. Brown concerning Cygnus Corporation and the Home Oil Company, can the Prime Minister indicate whether negotiations are still open between Ashland Oil and R. A. Brown or have these negotiations for the purchase of Cygnus shares been suspended? I see that the Minister for Energy, Mines and Resources has returned to his seat.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I apologize for being out for a moment but I think I caught the gist of the hon. member's question. I am not familiar with the present state of negotiations of other companies but we have done nothing to prevent any negotiations at this time. We have made very clear to the Ashland Company the government's determination and the will of this House, as has been demonstrated. In fact the president of the Ash-

land Company was in the gallery on the night of the debate and I think he caught very clearly the message—

Mr. Speaker: Order, please.

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AIR CANADA

DECLINE IN PASSENGERS AND INCREASE IN FARES

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Transport in his capacity as minister responsible for reporting to Parliament on the activities of Air Canada. Has the minister seen the report in this morning's *Globe and Mail* observing that while passenger levels are declining on Air Canada flights, fares are at the same time being raised? Could he please find out for the House from the president of Air Canada how the company reconciles these contradictory events?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am sure you would not permit me enough time to go into the mechanics of the airline business but I should like to tell the hon. member—

Mr. Woolliams: The service is terrible.

Mr. Jamieson: Perhaps I can take supplementary questions afterwards. The president and the chairman of the board of Air Canada will appear before the parliamentary committee on Transportation and Communications in a couple of weeks and I am sure they will be glad to explain this in detail.

Mr. Speaker: Orders of the day. Before I call orders of the day, I understand that the hon. member for Winnipeg North Centre has a point of order. I understand, also, that the Postmaster General wishes to ask for the unanimous consent of the House to reply to a question asked previously. We will begin with the hon. member for Winnipeg North Centre.

* * *

BUSINESS OF THE HOUSE

TIME LIMIT ON SPEECHES ON BUSINESS OF SUPPLY MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my point of order relates to the length of speeches in today's debate. Standing Order 58(13) provides 30 minutes for the mover of the motion and 30 minutes for the principal government spokesman to reply. We are content that our lead-off speaker have 20 minutes, and my hon. friends to my left agree so far as their first speaker is concerned. We suggest that all other speeches be limited to 15 minutes.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Has the Postmaster General leave of the House to reply to a question asked previously?

Some hon. Members: Agreed.

* * *

[*Translation*]

POST OFFICE

RESUMPTION OF MAIL SERVICE WITH UNITED KINGDOM

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I should like to answer rather briefly two very serious questions which have been put to me this week.

[*English*]

In answer to the question asked by the hon. member for Brandon-Souris, I must say that the embargo on all classes of mail for the United Kingdom is now repealed and any Canadians who want to play post office with the British can now do so.

REFUSAL TO PERMIT USE OF WORDS "THE HOUSE OF RAPE AND HONEY" AS CANCELLATION STAMP

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I understand today why I was lost the other day when my hon. right hon. friend, the member for Prince Albert, asked me a question about the land of rape and honey.

[*Translation*]

The right hon. member has changed in *Hansard* a word which completely alters the meaning of his question: he had the phrase "cancellation on stamps" substituted to the word "surcharge".

Mr. Speaker, in answering this question, I must say that due to the limited size of the cancelling stamp and due to the requirement that a bilingual message be used, we are in no position to grant this request, even after removing the seed from rapeseed.

We would be glad to accept any suggestion for a shorter message.

[*English*]

Even I do not know what interpretation other countries which do not know what rape is will give to this slogan, because not everybody knows what rape means.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I thank the minister and ask him this: if the phrase had not included "rape" but had been restricted to "honey" would it have been acceptable to the Post Office Department?

Mr. Côté (Longueuil): Mr. Speaker, we will certainly look at that suggestion.

• (12:10 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—OIL—OPPOSITION TO TRANS-ALASKA PIPELINE AND TANKER PROJECT—REQUEST FOR FEASIBILITY STUDY OF ALTERNATIVES

Mr. G. W. Baldwin (Peace River) moved:

That this House opposes the Trans-Alaska pipeline and tanker project because of the ecological dangers posed by this project to the people, towns, and cities of British Columbia and the national resources of Canada's western seas and coasts and that this House therefore urges the Government to immediately institute an independent economical and ecological feasibility study of alternative routes.

He said: Mr. Speaker, it has not been without some thought that this motion has been brought forward in order to provide hon. members of the House with an opportunity to express their views on this most important issue. We do not say that the importance of the issue transcends other considerations. It involves, to some extent, the question of the internal operations of another country. There are times, Mr. Speaker, when the representatives of the people must speak out loudly and clearly. We have been trying to force this government, which is or should be the natural guardian of the safety of our land and the organization responsible for securing the resources of the people in any part of this land, to act. The government has failed dismally to do anything other than bring forward pious proposals such as the one brought forward by the Secretary of State for External Affairs (Mr. Sharp) when he said, "Yes, this is a serious problem; I invite all Canadians to write to the American government." More than that is involved. The people of Canada have a right to hear their government express its views. The government has refused to act. We shall see what the people of the country will think of what is said in the House today, because this House can and I hope will take a very positive position in supporting the motion.

We contemplated moving the motion as a non-confidence motion, because a great many members, some of whom are on the other side, have been very free with their comments. In our opinion, they would probably have considered very carefully how they would vote. We decided on the present form of the motion for the very simple reason that there ought to be no inhibitions in this debate. I hope that every hon. member in the House will support this motion.

This government has been undecided and has vacillated a good deal. When they come to the edge of the water, they shiver and tremble and are afraid to enter. Usually, at that point there is a flurry of contradictory statements by ministers. Some ministers have not harboured an unuttered thought in the House or outside on this issue; other ministers have never made a thoughtful utterance.

[Mr. Côté (Longueuil).]

This has placed two, three or four ministers in a difficult and perplexing position, and it is partly for that reason we have brought forward the motion.

The motion begins in this way, "That this House opposes the Trans-Alaska pipeline and tanker project because of the ecological dangers posed," and so on. Let me say that so far as I am concerned, the question of the pipeline across Alaska lies exclusively and peculiarly within the jurisdiction of the United States government and the state of Alaska. There can be no doubt of that. We may have our views, and we have every right to say what dangers may be inherent in the construction of the pipeline, but the ultimate decision rests exclusively with the United States authorities.

At first blush we might say that the same objections apply to the further means of transporting oil from the Port of Valdez down to the Washington area, where the oil will be processed and refined. It is abundantly clear, I think, in view of the collisions between giant tankers which have caused immeasurable damage to the ecology, to the beaches and to the economies all over the world, that we face a particularly serious problem in this regard. Those matters have been mentioned from time to time in this House. No one will deny that the route to be utilized by these tankers, from Valdez down to the port in the state of Washington, is across dangerous waters. The final passage over the high seas, just before the ships come to port, will be particularly dangerous. The people of Canada in general, and the people on the west coast in particular, have a vested interest in the matter and a right to demand that their opposition to this means of transportation shall be expressed formally and categorically. If it is not expressed by the government, it certainly ought to be expressed by the members of this House.

The issue has been befogged by contradictory ministerial statements. Actually, a member on the government side from British Columbia said on television the other day that there should be a moratorium on ministerial statements. That is a good idea and ought to have been put into effect some time ago.

Some hon. Members: Hear, hear!

Mr. Baldwin: These contradictory statements have not helped. It is not as if this were some new problem. For several months hon. members have been dealing with the matter in the form of questions, trying to get this slippery and devious government to answer, without any measure of success. There is a very distinguished member of the other place, the former premier of my province of Alberta. Aside from some of the defects he may have, he is one of the most knowledgeable persons in this country with regard to natural gas, oil and petroleum and the means of transporting them. On March 9, a few days ago, Senator Manning made a speech dealing with these issues. I wish to put on record some of the remarks made by this distinguished ornament of the other place with regard to this issue. At that time he was dealing with the bill before the Senate to amend the shipping act and establish a maritime pollu-

tion claims fund. We had already dealt with that in this House. He said:

> On the other hand, perhaps the greatest single pollution threat to Canadian coastal waters will not arise at all from oil being imported into or exported from Canada, but from the offshore movement of oil between Alaska and the western parts of the United States.

He went on to say this should not have come as any surprise to the government because the last official representation which he made to the government of Canada when he was premier of Alberta had to do with this very matter. At page 651 of the Senate *Hansard,* he is reported as saying:

> My representations to the federal Government were twofold. I urged, first of all, that immediate steps be taken, in advance of Alaskan oil coming into the world market picture, to ascertain as accurately as possible the impact that this new source of American oil supply could have on our economy, and especially on the petroleum industry in this country. Secondly, the view of the Government of Alberta at that time, was that it would be very much in Canada's interests to make representations to the United States to endeavour to interest them in moving that oil, as and when it did develop, by a pipeline through Canada to the main market areas of the Chicago region, rather than by the proposed pipeline across Alaska and by tanker down the Pacific coast to Seattle, and then back by pipeline to the Chicago area.

The government should have listened to this firm and definite caveat filed by this man two or three years ago. The advice was worth following. He knew what he was talking about. The then premier of Alberta laid down in plain terms the dangers and suggested alternatives.

The government has not done anything; it has failed to act. We will be faced with a crisis before we realize it. This government will not act. We in the Opposition are compelled to bring the matter forward in order to engage the attention of the public and secure the support of views which have been expressed.

Some hon. Members: Hear, hear!

Mr. Baldwin: The United States has a very deep and vested interest in the Alaskan oil fields and the transportation of that oil to the centre of the continent. In rounded figures it is estimated that total U.S. consumption to date lies around 90 billion barrels, with existing conventional reserves pegged somewhere around 40 to 45 billion barrels, exclusive of Alaska oil. The present U.S. daily consumption lies somewhere near 12 to 13 million barrels. Furthermore, according to the U.S. interior department, over-all consumption of electricity rose 9.2 per cent in 1970 with petroleum supplying 43 per cent of all energy used. At a predicted increase of 4 per cent oil consumption per year, it becomes apparent that the U.S. needs Prudhoe Bay oil for its immediately foreseeable energy demands.

This is a fact we cannot change. We are a friendly neighbour, so we must contemplate their needs and requirements. They have secondary effects upon his country and our people. The government will not listen when we plainly and honestly say to them that there are inherent dangers in the proposed route, that there are alternatives and that they should examine these alternatives. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) has indicated that certain studies may or will be made. The Minister of Energy, Mines and Resources (Mr. Greene) is not quite as specific. I am inclined to accept at face value the views of the Minister of Indian Affairs and Northern Development. However, he is only one member of the government.

We have had experience with this slippery and devious government. We do not believe them when they tell us what they are going to do. We had faith in them two and one half years ago, but that faith is gone.

Mr. Woolliams: I did not.

Mr. Baldwin: I am inclined to give credence to a newly elected government with a mandate. However, I simply cannot accept the fact that the government will do these things. The minister is doing what he can, but how long will he be in that position? There is the absolute necessity of firmly and irrevocably indicating what steps will be taken and how long it will take.

What are the alternatives? First, if any country has a vested interest, there should be some form of international discussion followed by a treaty and an arrangement. This country has petroleum and natural gas reserves on the Atlantic, Pacific and Arctic coasts. Canada is a middle sized nation. Until the past year, it had a lot friends in the world. It is to our advantage to take the initiative to bring together the countries of the world which need to be involved in working out a long range plan for international control of pollution, particularly the oil pollution which is threatened by the proposal envisaged in the TAPS system of transporting Alaskan oil to the south. One of the ministers who will speak in this debate should make a categorical statement and give an undertaking that the government will, if it has not already done so, initiate this step. A firm commitment with regard to the type of international convention which I suggest is absolutely essential.

Apart from that, what are some of the problems which we face? First, there are the dangers which are to be found in the actual proposal for the TAPS line. A report was made by the United States Army Corps of Engineers which warns that they might prohibit construction of port facilities at Valdez. This is a statement by a responsible organization charged by a statute of the United States with certain responsibilities. If this proposal is considered dangerous by the United States army corps, it must be considered even more so by the people of British Columbia.

A study of future tanker traffic in Puget Sound by the Honeywell Corporation of Minneapolis has predicted two to four tanker collisions in this area in the next ten years. Furthermore, two experts who testified at the recent Anchorage-Washington meetings pointed out that one collision by a supertanker would turn that area of the west coast into a dead sea. Canada is concerned about possible serious oil pollution along the Pacific coast if the

tanker system is to be used. In addition, of course, there is the risk of damage to the ecology; we are sympathetic to the position taken by the conservationists who have voiced these fears at Anchorage but this, of course, is something which directly affects the people of the United States, particularly Alaska. In this connection there is also, of course, the knowledge that earthquakes are frequent in the area to be traversed by the proposed pipeline, but this question, too, lies within the jurisdiction of the American people.

• (12:20 p.m.)

Taking all these things into account, together with the growing knowledge which is becoming available to the people of the world as to what is happening to our environment, how could this Parliament possibly fail to express in the strongest terms its objection to the use of tankers to bring down oil from the north along the line which has been projected? I realize there will be other speakers in this debate and I do not intend to take up the full time allotted to me. But there are alternatives which have been considered.

There is the alternative of transportation through the Arctic sea, as illustrated by the experience of the *Manhattan* last year. I, myself, together with others in opposition parties, had occasion to express our objection to this being done in the absence of greater safeguards than were possible at that time. It would appear now, from the statement issued by the Humble Oil Company, that this project has been shelved. It was in connection with this voyage, however, that the government saw fit to bring before Parliament and have passed a bill dealing with the control of waters in the Arctic. That bill dealt with the control of Arctic waters within 100 miles of the edge of the Arctic archipelago. Although I had some doubts as to the possible legality of this legislation, although I doubted whether it was entirely necessary, I nevertheless, together with my hon. friends, gave the bill support. If the government can do this in the Arctic, Mr. Speaker, what inhibits it from making the strongest official representations with regard to the west coast, assuming, as I am assuming, that it would be doing so with the unanimous support of this House?

I need hardly point out that opinion in the United States is divided on this issue. The very fact that the program has been postponed for some time indicates that this is the case. It may well be that the United States government is just playing for time. In both nations there may be an election in 1972; it may even be that both governments concerned are trying to brush this issue under the carpet until the elections are over. I hope not, because if there is anything far too important to admit of playing politics it is pollution and, in particular, pollution caused by oil tanker collisions.

Then, there is the alternative of the Mackenzie route. This represents a difficult problem for Canadians, particularly those in the region which would be affected. We might be accused of opposing one solution in order to secure an economic benefit from the other. But this is beside the point. There are people in this country, and I count myself among them, who would be completely opposed to the construction of a pipeline through any part of northern Canada until it had been shown clearly that such a pipeline could be built with a minimum of damage. It is unfortunate that this was not done a long time ago when the then premier of Alberta, Premier Manning, requested it. He stated, in language which could not be plainer: here is the problem, here are possible solutions; do something about it. Now, the government is in a position where it is called upon to act precipitously and, possibly, without the degree of care which is necessary. The Mackenzie route does provide a reasonable alternative provided a careful study is made beforehand and great care taken to avoid harmful effects. Other members of my party will be going into this in more detail.

I conclude on the following note: I do not think there is anything in the terms of this motion which should inhibit any member of the House giving it his undivided support. I wish it could be the subject of a vote in order that the government would be armed with an unanimous expression of support from this House of its determination to press forward with objection to the maritime part of the TAPS route. As it is, I hope the voice expressed here will be so strong and certain that the government will be obliged to act. The Minister of Energy, Mines and Resources said this morning that the government had been greatly moved by the debate in this House on the question of Home Oil. I do not know whether or not he was speaking with his tongue in his cheek or not, but I will give him credit for meaning what he said. In the past, it has not seemed to me that the government has been particularly responsive to the mood of Parliament. If the government is prepared to take action on the basis of the views expressed here, then I hope the House speaks with such a loud, clear voice today that those sitting on the treasury benches will act in the way in which they are called upon to act by the terms of the motion before us.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I am pleased that the Official Opposition has put this motion down for discussion today. The general subject has received a certain amount of attention in recent weeks. Attempts have been made under Standing Order 43 to bring about a discussion of the subject mentioned in the first part of the motion. The first such attempt was made in a motion of my own by which this House would have put its stamp of approval on the opinion expressed unanimously in the British Columbia legislature against the idea of a massive movement of oil by large tankers down the Pacific coast of Canada.

The motion which the Conservatives have placed before us is capable of a natural division into two parts. I should like to comment on each of those parts. Part one exposes what I might call the ecological dangers of a Trans-Alaska pipeline and tanker route which would involve shipping large quantities of oil close to the west

coast of Canada. As hon. members know, this motion will not be brought to a conclusion by way of a formal expression of opinion by the House. I must say at once that I believe the position of the Official Opposition, let alone that of the government, would have been much more credible had they supported the amendment which I proposed not long ago to Bill C-2, to amend the Canada Shipping Act. This amendment would have asserted Canadian control over navigation to a distance of 100 miles from both the Atlantic and Pacific coasts of Canada. In the circumstances, I feel the Official Opposition has declined to take a firm position. Had they, and had the House as a whole, seen fit to adopt the amendment to which I have referred, the voice of Canada could have been much more definitely expressed to the world at large, including our neighbour to the south and to the north, since we are talking about Alaska.

• (12:30 p.m.)

As the question is put in this motion, we are still going to be left somewhat up in the air by the time the debate is over. It seems to me that in view of the fact we took a clear position in respect of the 100 mile jurisdiction proposal last year in the Arctic, while at the same time leaving unprovided for the similar ecological dangers posed to our Atlantic and Pacific Coasts, in some respects we have locked ourselves in, in the discussions that are now current concerning the movement of oil from the north slope of Alaska to the continental United States. I should like the House to recall that my colleague the hon. member for Greenwood (Mr. Brewin) attempted last year to include the provision of a 100 mile pollution control zone off our Atlantic and Pacific coasts, at the same time that we were indicating our strong support for the government's position on the Arctic.

So, first of all, my chief regret must be that by its initiative in the Arctic last year the government, and I suppose Parliament as a whole since we supported it, may very well have precipitated the situation which we are discussing with great concern today, namely the massive movement of oil along the Pacific coast of Canada. This must be my first comment on the motion, and in all fairness I must include, in my criticism of the way in which we are boxed in today, the official opposition as well as with the government. When it came to the crunch, both the government and the official opposition refused to take a firm and clear Canadian position on the need to protect the ecology along our Atlantic and Pacific coasts.

The second part of the motion suggests that this House should urge the government to immediately institute an independent economical and ecological feasibility study of all alternative routes. This raises many broad issues, as the hon. member for Peace River indicated. In the course of the discussions which took place last year a number of alternative routes were considered and examined, in a rather cursory fashion of course, including the transportation of oil across the Arctic by oil tanker. One of the committees heard quite extensive evidence as to the possibility of transporting oil under the Arctic ice pack by large submarine tankers. Incidentally, during discussion of the Territorial Lands Act Amendments there was a good deal of discussion of the question of pipelines and their relationship to the ecology of the Canadian Arctic and, in particular, to that of the Mackenzie valley.

We now find ourselves in the position, because of the developments that have taken place in Alaska and the initiatives that have been taken in the United States, of being in danger of being stampeded into a quick decision, on the question of alternative routes, one which would be ecologically damaging and might not be in the long range interests of the Canadian economy.

The question I should like to ask in relation to the second part of this motion is this. For what purpose does the official opposition suggest that a study of alternate routes should be made? I listened carefully to the speech made by the hon. member for Peace River in introducing this motion, but I failed to detect any clear statement as to what should be the basic and underlying purpose of this study. Is this study to be undertaken for the convenience of the United States? Is its basic purpose to be to find for the United States some system of moving oil from Alaska to the southern part of their continental possessions without regard, except in a minor way, for the ecological consequences of an interior route through Canada? These are questions that have not been answered by spokesmen for the official opposition; nor indeed have they been answered in any way, shape or form to date by ministers of the government who have spoken in various ways and at various times, both inside and outside the House, on this particular subject.

About the only thing that we have had has been the picture of a couple of our ministers scurrying off to Texas to have some discussions with those people whom not too many years ago the then leader of the Conservative party described as "Texas buccaneers". Is this the place where the decision as to the future routing of oil from Alaska to the continental United States is going to be made, down in Texas with a few oil magnates? This is the impression that has been left in this House by the only definitive actions taken by the government to date, apart from the very nebulous comment made by the Secretary of State for External Affairs (Mr. Sharp) that he hopes to have some kind of discussions with the Secretary of State of that country. These are the kinds of questions that we in this House should be asking ourselves in discussing a motion that suggests that a study concerning the economic and ecological feasibility of alternative routes be undertaken.

The question why we should undertake this study is one that I examined in my own mind as soon as I was acquainted with the contents of the motion that has been moved today. I propose to move an amendment to the motion which I hope will serve to focus attention on why a study should be undertaken on some real and basic issues as far as Canada and its future are concerned. I hope that when the spokesmen for the government reply they will relate their comments, in part at least, to the proposal I want to make. So that the House may clearly understand what I have in mind, I should like to move at

this point, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the motion be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"with a view to developing under public ownership a transport system for oil and gas which will best serve the long-term interests of the Canadian economy".

If we are to undertake a study immediately, urgently and in depth, and in a way which will take into account all of the ramifications of this question for the purpose enunciated in this amendment, then let me say at once I am in full support of the proposal made by the official opposition. But I must say I am not too confident that the official opposition will agree with this particular approach as the basic reason for this proposal. I happened to come across an article in the Ottawa *Citizen* for March 10, 1971, written by Mr. Dave McIntosh. In this article he suggested that there may be another great pipeline debate shaping-up, with additional ingredients. I hope he does not mean that we are going to have the kind of parliamentary shambles associated with that earlier debate. I should like to suggest that the issues coming to the fore in relation to the transportation of petroleum products are even more basic and fundamental to the future of Canada as a country than the issues which were involved in that infamous pipeline debate. Mr. McIntosh says:

• (12:40 p.m.)

It was the NDP, then the Co-operative Commonwealth Federation (CCF), that began the big 1956 pipeline fight.

As I recall that debate, I cannot help but compare it in my own mind with the situation that prevails now. The focus of that debate as far as we were concerned was how the pipeline should be built. There is no question in my mind that there was anything but basic agreement on both sides of this House, certainly between CCF members and the minister who proposed this pipeline bill, that the destiny of Canada as a nation should be strengthened and made viable. I have always given the late C. D. Howe full credit for his efforts in this regard. We had little objection to his enunciated intention in respect of the construction of an all-Canadian pipeline. This was something we understood and supported. I have always been prepared to give him full credit in this regard because I think he was right.

I sometimes wonder what the reaction of the late Right Hon. C. D. Howe would be today if he were sitting in the gallery listening to the lily-livered, wishy-washy statements of policy we receive these days from members on the government benches? I am sure the late C. D. Howe would hoot in scorn and cry with derision at the concept of the future development of Canada as espoused by our Prime Minister (Mr. Trudeau), the Secretary of State for External Affairs (Mr. Sharp), the Minister of Energy, Mines and Resources and the Minister of Indian Affairs and Northern Development (Mr. Chrétien). Not that I am suggesting that the statements made by the Minister of Indian Affairs and Northern Development do not express his genuine concern about the ecology of the Canadian north. In this regard, I give him full credit. But what assurance have we received that the effect of the total package of government policy will not be a sell-out, again to use a phrase current in 1956, to the "Texas buccaneers"? This is the nub of the question we have to consider when we are expressing our concern about current dangers to all parts of Canada. Does it matter if we preserve our ecology if we do not preserve a viable economy for the benefit of a future generation? To me this is the basic and underlying issue of this debate.

It is apparent that there is an entirely new dimension to this question of the future transportation of petroleum products and the effect on Canadian interests. The ecological dangers have become more and more apparent to all of us. This new dimension has in part become apparent because of the fact that we are considering the exploitation of our resources in areas where the ecology is very different from that which existed in those areas involved in the earlier pipeline debate. This new element of danger is increased by the fact that what is now being done is so much different in degree as to become different in kind as far as its impact on the ecology of this country, the continent and, indeed, the world, is concerned.

We have had discussions which indicate that this is true not only in this area of our economic activity, but also in other areas because of the tremendously increased power to change the whole face of the world, which has become evident since 1956. In the discussions about the trans-Canada gas pipeline a great number of exclamation marks were placed behind the words that we were going to be building a pipeline larger than had ever been built before. It was to be 36 inches in diameter.

As I understand it, and I refer for a moment to the report which appeared in the New York *Times* of May 3, 1970, the proposed pipeline across Alaska would be four feet in diameter and close to 800 miles long, carrying a deluge of oil through otherwise frigid terrain at a temperature of 150 degrees Fahrenheit, or more. It is suggested in this report:

Secretary Hickel has referred to an above-ground line as a "Chinese Wall". If the pipe were on stilts two feet high and covered with six-inch insulation, it would stand seven feet above the landscape.

These are some of the factors we have to think about when we start talking about an alternative pipeline through Canada. In relation to the concern expressed by the people in British Columbia, we must think not only of where this pipeline will commence but where it will end. I have here a draft statement on environmental matters prepared under the auspices of the Department of the Interior of the United States. This is a preliminary study. I should like to quote briefly from it:

A pipeline route through Canada serving the U.S. Pacific Coast would eliminate the hazards of marine operations only if it is assumed that oil reaching Puget Sound by such a pipeline would continue southward to California by way of a pipeline yet to be proposed. It should be noted, however, that economics heavily favour the movement of oil by ship from Puget Sound to destinations in California. If the decision is made in

favor of trans-shipment by water, then any potential hazards of marine terminal operations are merely shifted from Prince William Sound to Puget Sound.

I think one or two of my colleagues may have further observations to make during this debate on this and other related matters.

I noted an article which appeared in the Globe and Mail this morning concerning an interview with Secretary Morton. The report indicates that the Canadian alternative is one into which certain oil companies should be looking. He also suggests that there is very little difference in the ecological dangers involved. A pipeline route to Puget Sound and transportation of oil by tankers from there to California would create the same ecological dangers which would be created by the transportation of oil by tankers from a port in Alaska to Puget Sound. I introduce this point in the debate, Mr. Speaker, to indicate that a pipeline down the Mackenzie Valley is not necessarily any quick and easy solution to the problem.

• (12:50 p.m.)

The Acting Speaker (Mr. Richard): I regret to advise the hon. member that his time has expired.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, it is a pleasure for me to speak on the motion of the hon. member for Peace River (Mr. Baldwin), which reads as follows:

That this House opposes the Trans-Alaska pipeline and tanker project because of the ecological dangers posed by this project to the people, towns, and cities of British Columbia and the national resources of Canada's western seas and coasts and that this House therefore urges the Government to immediately institute an independent economical and ecological feasibility study of alternative routes.

Mr. Speaker, I believe a degree of inconsistency is to be found in the motion. It calls upon the House to oppose the Trans-Alaska pipeline as well as the movement of oil by tanker down Canada's western coast. I really cannot see what other means there is.

Even though a thorough study of the possible consequences of the two alternative routes might be worthwhile, I believe that a pipeline is the best solution. However, before the pipeline is built, approval should be secured from the province or provinces through which it would run and special measures taken to prevent a break that could disturb the ecological balance of the area involved.

I suggest that the government require the builders of the pipeline to hire Canadian workers and use Canadian funds to finance the project.

I do not share the opinion of the hon. member for Peace River who opposes the two solutions already referred to. I am sure that the development of the Alaskan oil industry will very much help our own in the Yukon and the Northwest Territories.

Mr. Speaker, everyone knows that there are in the Yukon large quantities of unexploited oil, since it is very difficult for companies to make their operations profitable, due to the great difficulty in moving the oil to consumers in large centres. If a pipeline goes through the Yukon, it will be much easier for companies to move the oil to refineries located farther south.

I wish to make a suggestion to the government in connection with that problem. In my opinion, it should study the possibility of having oil refineries built in Canada. If the government authorities were to decide to subsidize adequately those industries, the Americans would probably be interested in having their oil processed in Canada.

I would have many more suggestions to make but I prefer to wait until we know more about this project and how much it will cost.

We, in the Ralliement créditiste, are therefore partly in favour of the motion of the member for Peace River at least as far as the necessary study is concerned and we ask the government to consider seriously the viability of a Trans-Alaska pipeline.

We agree with the NDP on the possibility for Canada to own a pipeline and to set up a corporation which would be the owner since it would facilitate the transportation of our oil to the centres which need it or to the processing plants which would be located where labour is available and the costs lower.

I also suggest that if we owned a pipeline we could propose to the United States to use it against payment of a fee which would ensure the pipeline's viability.

Mr. Chrétien: Mr. Speaker, may I call it one o'clock?

The Acting Speaker (Mr. Richard): Does the House agree?

Some hon. Members: Agreed.

The Acting Speaker: It being one o'clock, I now leave the Chair and the House will resume at two o'clock.

At one o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad that we have the opportunity today to have a debate on the very important topic of the construction of pipelines in the north. I think that every one of us agrees that it is very important that we find ways and means of building pipelines in the Canadian north because this will help Canada generally, and in particular it will assist the development of our north. Being minister in charge of northern development, I think it is appropriate for me to express our views on that.

I will not deal with the problems of the Alaska pipeline running from Prudhoe Bay to Valdez, or the tanker route. I think that some of my colleagues will have the

privilege of speaking on this. But the last part of the motion presented by the hon. member for Peace River (Mr. Baldwin) requests that we institute immediately an independent economical and ecological feasibility study of alternative routes. I want to point out to the hon. member and to the House that when he spoke this morning he said we had done nothing about it. I want to put on the record what we have done.

Mr. Woolliams: What have you done?

Mr. Chrétien: In 1968, immediately after the oil discovery in Prudhoe Bay we started work.

Mr. Comeau: Give us more information.

Mr. Chrétien: Yes, but may I point out that it would have been very easy for a member of parliament who was doing his job to find this out for himself because I made many speeches on this subject.

Some hon. Members: Hear, hear!

Mr. Greene: They would sooner play politics.

• (2:10 p.m.)

Mr. Chrétien: Mr. Speaker, we started to talk about pipelines right after that, and at the beginning of 1969 the Canadian government established a special task force of officials on northern oil development with the duty of looking into the possibility of a pipeline route running through Canadian territory as well as the possibility of tanker routes in the Canadian Arctic. We were quite concerned about all the problems, and our concern was translated into action. We passed legislation to prevent pollution by tankers. Last winter we passed legislation to make sure that if tankers operate in Canadian Arctic waters the environment will be protected. Members of the NDP spoke about that this morning. Even the hon. member for Peace River (Mr. Baldwin) spoke about it. So, Mr. Speaker, I think we have shown our preoccupation with the problem of pollution in the north.

In August last year the Minister of Energy, Mines and Resources (Mr. Greene) and I issued some guidelines with respect to the construction and development of pipelines in the north. Those guidelines were issued after the task force had recommended that some limitation be placed on the construction of pipelines in the north to make sure that the ecology would be looked after, and to ensure that the native people would benefit from any pipeline construction. Our Canadian native peoples must have a priority with respect to permanent jobs because we believe we must protect their interests. We also stipulated that if there are to be pipelines they must be common carriers so that Canadian interests may use them, even if they are not built by Canadians. In addition, we stipulated that there must be Canadian participation if Canadians themselves want to participate in the development of pipelines.

A lot of people have talked about research, and I have said that we have not yet concluded the research that we have undertaken. In my speech in Dallas, I said that we think eventually there will be pipelines in the north. I

am glad to see that all parties in this House agree that this will be so. The hon. member for Peace River spoke about this prospect, as did the hon. member for Comox-Alberni (Mr. Barnett). I am very happy that the House is behind the government's policies as enunciated by my colleague and I, on the necessity for pipelines in the north.

In Canada, we have done some research. The United States first started by shipping pipe to Alaska, but here in Canada we started by undertaking research. Last year, after we amended the Territorial Lands Act, we established a new program, the ALUR program, which stands for Arctic Land Use Research program. Under it we have hired all sorts of interested people to do research on the protection of the ecology and the effects of pipelines on the permafrost.

Participating in this program are some university people, some Indian people, some Eskimos, and representatives of the oil industry. Right now they are gathering all sorts of useful facts. The Wildlife Service which used to be a part of my responsibility, has also taken part in this work. The Minister of Fisheries and Forestry (Mr. Davis), who now has responsibility for that service, has told me it will continue this work. I am very happy that we will have the benefit of the expertise available in the Wildlife Service, and of the fisheries' research officials who are already studying the effects of northern development on fish in the rivers, and on wildlife in general.

What is important to convey to the House is that the north can benefit immensely from these developments. There will be an investment of some $5 billion if two pipelines are constructed. Of course, there will be problems, but modern technology should be able to solve them. We must make sure that no great amount of pollution is created in the north. I devoted five pages of my speech in Dallas to this topic. Prevention of pollution is one of the conditions we will lay down if application is made to build a pipeline. We must make sure that the northern ecology is protected, and that if pipelines are constructed they will result in minimum damage to the ecology.

We said all these things months ago, Mr. Speaker, and now because we are stressing the Canadian interest some people say we are contradicting ourselves. That is not the case at all. We have a policy which we have spoken about for many months. We have decided we will develop the north and not repeat in the north the errors we have made in the south. This is a commitment we have laid down, not only in speeches but in legislation. As evidence that we are carrying out this commitment, I cite three pieces of legislation passed last year, the Arctic Waters Pollution Prevention Act, the Northern Inland Waters Act, and the amendment to the Territorial Lands Act. While the opposition were sleeping on the topic, we passed those three pieces of legislation.

Some hon. Members: Hear, hear!

Mr. Chrétien: We passed those three pieces of legislation which indicated our concern about northern development, and our concern about protection of the ecology.

Mr. Greene: And nobody told the Tories!

Mr. Chrétien: Now, after two years, they are waking up. I am glad to see that at last they are waking up, and are supporting our policy that we need pipelines in Canada, but not at any price. That is the point I stress—not at any price. I have said, and I repeat, that in developing the north we will not repeat the errors we have made in the south.

On many occasions I have said that one of the first preoccupations of the government is that development in the north must benefit the native peoples in the north.

Some hon. Members: Hear, hear!

Mr. Chrétien: We must do this because we have disturbed their traditional way of life. Many of them are no longer primarily trappers and hunters. Under our programs many of them are getting the necessary education to enable them to participate in the development of the north. They must have certain priorities with respect to jobs, and I may add that industry is collaborating with us.

Those who say we have not done the research must be blind. There have been numerous newspaper articles printed within the past two years outlining the research we have undertaken. There has been the construction of an experimental pipeline at Inuvik, where the oil industry is working in collaboration with the government to discover the effect of a hot oil pipeline on the permafrost. The Opposition do not seem to realize that this experiment has been conducted for some two years. I am a bit surprised at that.

Right now, Mr. Speaker, I wish to inform members of the Opposition, if they have not read the newspapers and have not followed the actions of the government, that at Fort Good Hope an experimental gas pipeline is being constructed to discover the effect of a gas pipeline on the permafrost.

All these things have been done by the industry in collaboration with the government. We do not need confrontation. What we are seeking is balanced development in the north. Mr. Speaker, I am not a doctrinaire person. The NDP members say the pipeline should be built only by Canadians. I have no objection to that if we can find the money here in Canada, but I am not a Social Creditor and I know we don't print money. If we are to spend $5 billion on the construction of a pipeline, we must first discover what the effect will be on other sectors of our economy. Perhaps that is a bit complicated for some. I say that this is a great day for the Minister of Energy, Mines and Resources and for me, because everyone who has spoken in the debate so far seems to have said that we are moving in the right direction. Even the New Democratic Party has supported our idea. I am glad the hon. member for Comox-Alberni said that we were going in the right direction.

• (2:20 p.m.)

Of course, we have not solved all the problems. We need to know more about the ecology and about building pipelines on the permafrost. In my judgment, however, it was advisable to let Canadians and Americans know "that the north is there." Pipelines will be built. If the Americans do not build a pipeline from Alaska I will not be too upset, because I know that we will find enough oil in the future in Canada to justify an oil pipeline. Perhaps it will take two or three years more, but there will be an oil pipeline.

So far as gas is concerned the Americans will have to use the Canadian route if they want a gas pipeline. There is no other way. You cannot ship gas, you must put it through a pipeline. Of course you can liquify it, but that is a very expensive operation. I therefore think that economic factors will force the interests at Prudhoe Bay to use the Canadian route. Since they will build a gas pipeline, perhaps factors of economy will prompt them to build an oil pipeline at the same time. We are not pushing the Americans; we are just putting before them the important fact that the north of Canada is opening and that great amounts of resources are there to be discovered. There is five times more sedimentary rock in the Canadian north than in Alaska. The resources are there; perhaps it will take a few years before we find them. As an example, Panarctic drilled eight wells and made two discoveries of immense proportions. They are major discoveries, perhaps unequalled by any others in the world. I do not think that we could discover gas or oil at the same rate elsewhere, not even in the Middle East. All this indicates a great potential for Canada. We must make sure that these resources go to market, and pipelines are the safest way.

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister. I do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The minister may only continue if he has the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Mr. Chrétien: Mr. Speaker, you know these resources are there for the benefit of all Canadians. Last year we passed the Arctic Waters Pollution Prevention Act, because we were afraid that technology which could be applied in the Arctic Ocean was not sufficiently advanced to assure safety. That was not an easy decision for us, because we know that there is oil and gas on the Arctic islands. We know, also, that the relevant technology is not far enough advanced for us to be certain of safety. We could not be sure at the time that those tankers would go safely through our Arctic waters. It was for this reason we made that decision. This route is not open and no outline has been given of the conditions under which shipping could take place. The pipelines, however, as compared to tankers, are a different ball game. We know a lot about the technology. Even so, we know that we shall need to devote a great deal more time and research to certain aspects of pipeline building.

I have talked to the House about some programs we have carried out. I do not yet know when all the research will be completed: I hope it will be finished as soon as possible, but we are not being rushed. We will take all the time we need, because we want to make sure that our pipelines are safe and that our wildlife and tundra in the north do not suffer.

Although I may be preoccupied with the ecology and wildlife, there is one factor that surely cannot escape the attention of members of Parliament. If we build these pipelines in the north, they will benefit the northerners. I am always talking about them. A few months ago when I showed a bit too much sensitivity for the well-being of the tundra in the Mackenzie delta, the Eskimos and Indians of Inuvik protested because they were in danger of losing their jobs with the oil companies. We have to keep all these factors in mind and, of course, make our value judgments. We are trying to do the best that we can.

An hon. Member: It is not good enough.

Mr. Chrétien: In the Northwest Territories, the Indians of Fort Good Hope are very happy, because they are working on the experimental pipeline and related activities. These developments in the north will benefit the northerners. We must make plans and make sure that the development in the north helps the people in the north and the people of Canada everywhere.

A few years ago we wanted development at any cost. Today, we have to take other factors into account. We cannot stop development. If we build pipelines in the north, the economic activity will be good for the area; and when there is a good level of economic activity in Canada, all the people of Canada benefit. You know, Mr. Speaker, I hope that the House will recognize that we have accomplished some things in the last three years. I am glad that hon. members realize we must face a challenge. We have been facing it for three years and have done a lot of work on solving it. I hope everyone will appreciate that this House is unanimous today on the question that pipelines have to be built in the north. These pipelines will benefit the Canadian economy and, I hope, especially the native peoples of the north. The pipelines will increase the opportunities for our native peoples. I thank hon. members for allowing me this extension of time to finish my speech.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, this debate has been most refreshing. If the motion has done nothing else than elicit some explanation from the minister, it has served a good purpose. I think that we are dealing with a very important subject which must be considered carefully if Canada is to stay one nation for generations to come. The economic decisions that we make now, and the decisions we make about pipelines, will decide not only whether we shall stay together as one nation, but whether we shall remain independent.

For the last two years we have interrogated this government on this subject. We have wanted to know the facts. On what has the government based its studies? May I refer to two speeches that two ministers of this government have made. One of those, made by the Minister of Energy, Mines and Resources (Mr. Greene) is a very "heavy" speech that was delivered at Denver; the other was made by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) at Dallas, Texas. I wish I had time to read the speeches, because one minister took one position and the other took another position.

We have asked about this matter in the question period, because something seemed to be amiss. There has been confusion in the government ranks and ministers have contradicted one another. I, personally, along with other members of my party, have asked the Minister of Energy, Mines and Resources what kind of study he has been making. Do you know what his answer has been, Mr. Speaker? He has said, "We are leaving this to free enterprise." I have examined dozens of answers in *Hansard* which indicate this position. That has been confirmed by the Secretary of State for External Affairs (Mr. Sharp). It is at least refreshing to note that the Minister of Indian Affairs and Northern Development has listened to the opposition and got on the right wave length. As I say, the other minister said, "We are leaving this to free enterprise." I am a free enterpriser. Nevertheless, in any field in which the parties have interests to accommodate, whether those are the export of crude petroleum to Canada or other interests, those parties will be apt to say what suits them. In this case we are asking people who produce oil on the Prairies, in Alaska and elsewhere, to undertake an independent study which will tell us whether a certain proposed action of theirs will benefit the ecology or the economy of any part of Canada. You are asking people who have a high degree of interest in the answer to undertake a study. I am not criticizing what they might say, because anybody in their position would do the same.

What we are asking for is very simple. We are asking for an independent study to be made by a task force which will look into the ecological and the economic factors and determine what is good for Canada. The minister has said that the government has done a great deal. He told us what the government has done during the last three years. In the meantime, the sections of pipe have been piled up in Alaska. The Americans do not play ducks and drakes. They do not take pipe up there merely because they want to employ their people or keep their ships busy. They have taken pipe up there because they have decided what to do. They did not stockpile all that pipe for nothing.

• (2:30 p.m.)

In the meantime there has been a big finding of crude petroleum on the northern slopes of Alaska. The Americans now see that they can pipe that crude petroleum from the northern slopes of Alaska to Valdez and take it by tanker down the coast of Canada to Seattle or other ports. The minister says, "There is nothing to this; we might come to some decision this fall or next spring". The United States is not going to wait for the vacillation of this government or the contradiction of one minister. The Minister of Indian Affairs and Northern Develop-

ment said to the Americans in Dallas that we need their money. The Minister of Energy, Mines and Resources practically threatened the Americans when speaking in Denver. He said we might even jam their television and radio stations. He said we want to preserve everything for Canadians, even our culture. Never has the cabinet been so divided. I see the hon. member for Calgary South (Mr. Mahoney) laughing. He knows I am correct. The success of this government is to be on all sides of all problems at all times so that no matter how attacked, they are always correct. That is really what they are doing.

The next question is why is there urgency? Why is the United States acting now? It is not just for the purpose of immediately developing the industry in Alaska. The facts are these. The outcome of the mid-east oil showdown resulted in quick price boosts which made cheap oil vanish from Europe and Japan. Oil is no longer a cheap commodity. Consumers in Canada and the United States are going to have to pay higher prices for their gasoline. That hard fact is sinking in around the world now that these old, rich countries in the mid-east have won unprecedented price increases. Twenty-three of the world's giant oil firms knuckled down under the pressure of the six countries around the Persian Gulf to increase the price of crude petroleum. The same happened in Venezuela. What happened? The 200 million consumers to the south of us will not pay just any price for gasoline and the byproducts of crude petroleum because of economic developments, so they started to stockpile. They do not have time for our procrastination. They have consumers and therefore have to move.

I hoped that one of the two ministers who spoke today would have stated that negotiations are going on with the United States. The minister did not state that, as a result of discussions, the United States have now decided not to use that pipe. They are going to use the pipe and the tanker. Even with the limited knowledge I have, I would like to see a forum set up like the Borden commission so that we would know how to handle the ecology of the north and everyone would be informed. I agree with the minister that a pipeline through the Mackenzie valley is the answer. The oil line may have to go above the permafrost and the gasoline line underneath. Neither I nor the minister are here to solve these technical problems. These must be solved by experts.

The United States is not going to wait. They have moved the pipe into Alaska. They have billions of barrels of oil in their state of Alaska and intend to move it by tanker to the other 48 states. This is what they are saying to the Canadian government. I hope the government will say that they have made a deal with the United States whereby they have agreed to share the cost of building a pipeline down the Mackenzie valley because of the danger to the ecology and the western coastline. I would be reassured if I heard a statement like that. In fact, I would not even bother speaking today if I could be assured the government made that kind of deal with the United States.

I have read the United States world news reports and watched American television programs. They still get into eastern Canada, even though they are jammed out of the west because we must live differently from the people in the east. The feeling is growing that the United States is on the move. They are going to supply gasoline to their consumers at a price that the Americans can afford to pay. That is what this is about. This is not a game, it is an economic problem. I say that we need a study. The problem is that it is two years too late. Tanker oil pollution near Canada's western shoreline, in conjunction with the announced increase price of gasoline, are two of the foremost problems facing Canadians. We cannot divorce oil pollution from unemployment or the economic growth of this nation.

A pipeline could carry crude petroleum from Alaska and Canada's northern Arctic or gas from the Christian Islands, about which the minister spoke. The government talks about 100,000 jobs for Canadians. At a time when we have great unemployment, if we had a plan for a pipeline now this program could be negotiated with the United States. As a result, many Canadians could be put to work. We could negotiate with the United States to use Canadian steel, pipe and workers. This is what was done in connection with the Trans-Canada pipeline. If it had not been for the debate, this would not have happened. The pipe was made in Canada.

What will this do to the central industrial areas in Ontario and Quebec as well as western Canada? The government could work out a plan with the United States to protect the ecology and the economics of this country. All the government has promised has been to continue unemployment and pay the unemployed $100 a week. This keeps taxes at such a high level that it is impossible to even get Canadians interested in purchasing Home Oil. That is wrong. One subject cannot be isolated from the other.

With the increase in the cost of crude petroleum and natural gas throughout the world, the United States intends to get supplies of these resources out if at all possible. That is what is happening. There are two routes, one of which is the route to Valdez and then by tanker. There are now 500,000 ton tankers being built. One spill is all we need. Are the ministers strong enough to tell the United States that they cannot bring tankers down our shoreline to United States ports? I would like to hear a statement like that. I would like to see how we could stop this development if the United States decides to undertake it. It would be very interesting.

In the countries with a high gross national product, the United States, Japan and Germany, they realize they have to pay more for their crude petroleum. A London correspondent wrote and I quote:

> The era of cheap oil has ended in the West and cannot be expected to reappear in the foreseeable future.

Has the government told the Canadian consumers in the big cities such as Montreal and Toronto that they are going to be paying more for their gasoline? That is what is going to happen in the very near future. I continue to quote:

Trans-Alaska Pipeline

• (2:40 p.m.)

Industry experts here are convinced that the precarious balance between producing and consuming nations has tilted sharply in favour of the producers. From Geneva, this assessment came after talks with some of Europe's top business economists:

Throughout most of the post-war period, especially in the 1960s, Europe has benefited from rapidly expanding imports of low-cost oil from the mid-east and from North Africa. Petroleum surpluses and sharp competition among international oil companies have tended to hold prices low.

Now the picture is sharply changed. European consumption has risen faster than was foreseen. Western Europe now meets well over 50 per cent of its energy requirements from oil and covers more than 85 per cent of its total oil consumption by imports from the mid-east and North Africa.

World oil consumption could double again in the 70s according to estimates prepared by the Royal Dutch/Shell Group. And there is little hope that Europe can reduce its dependence on Arab oil in the next five or ten years.

Bear in mind, too, that these forecasts are based upon relatively stable conditions. All we need is a blow-up in the middle east and we are in trouble. Bearing in mind the obligations and commitments of the United States as the world's leading power, may I ask whether Canada has negotiated with the United States to cover a situation in which the United States was involved in the kind of conflict I have envisaged, and Canada remained neutral? Would oil continue to flow through the pipeline? Are we prepared to guarantee that it would continue to flow under such circumstances? I have no doubt that American business people will ask us these questions.

The minister admits we do not have enough money in Canada to finance these pipeline projects. I agree, and I am glad to hear him say this. I am glad there is one minister in the cabinet who tells the truth. The truth is, we have no choice but to tell the Americans and other foreigners that we need their capital. It is up to us to set guidelines, and that is another story, too. The fact is that the government moves from crisis to crisis, as it did in the case of Home Oil. Today there is no trading in Home Oil shares on the stockmarket as a result of the decision which the Minister of Energy, Mines and Resources has taken. If there is to be an independent study, say so and produce the facts. I would point out that the National Energy Board in whose hands, we gather, the whole industry is to be left, is not properly equipped to handle such situations. Witnesses are called to appear before the Board as if it were engaged in a judicial process. Afterward, decisions are made. If an independent body were set up, working for the national interest, I would think the board itself would make the proper decision when the evidence came before it. But everything has to be worked out in consultation with the United States.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but I do so to inform him that his time has expired.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): I welcome the opportunity to take part in this extremely important debate today. Certainly, in economic terms, the issue is probably the most important one we shall face for many years. When one considers that the seaway, which we look upon as probably the greatest Canadian accomplishment in the field of construction during our history, cost some $500 million, excluding the power generation aspects, and when we consider that the two pipelines would cost some $5 billion to construct, the equivalent of ten seaways, we realize that this issue in economic terms alone is an extremely important one for the future of our country.

A debate at this time might be early in the game but it is certainly warranted. Hon. members in the opposition have shown concern about the need for a feasibility study. It might be as well to put on record what has been done to date. The timing of this debate is important when we consider the fact that in Prudhoe Bay there is some $50 billion worth of oil plus a potential of some $250 billion of oil and the Americans have made it manifestly clear that they intend to move this oil. Yesterday, Secretary of the Interior Morton, as quoted in the *Globe and Mail*, when asked whether it had been decided that the oil should go to market, replied: "That is correct. It would be negligent to seal up those resources." So the picture is clear. The oil is there in Alaska. It will be moved by the Americans and there are only two possible ways of doing so, either down the Pacific coast in tankers or by a cross-Canada line in the construction of which Canada would be a land bridge over which the oil would pass, some of it to the Canadian marketplace but the vast majority of it, certainly, to the United States marketplace. The oil will certainly be moved, one way or another, and the question which arises is: which is better for Canada?

We have taken a position, strongly stated by the Secretary of State for External Affairs (Mr. Sharp) reinforced by myself and by many of my cabinet colleagues, that we are greatly concerned as to the safety of huge oil movements by tankers buffeted by Arctic ice on their way to the west coast close to the shoreline of British Columbia. We have expressed great concern about this proposal. On the other hand there is a possible route through the Mackenzie Valley. As the Minister of Indian Affairs and Northern Development (Mr. Chrétien) stated, we do not have all the answers to questions vis-à-vis this route but I think it well to place on record some of the information which we do have.

The situation has changed to a considerable degree. The Prudhoe Bay find took place in June of 1968—that will be three years ago this coming summer. Until fairly recently there appeared to be a decision on the part of the companies concerned that the oil should be shipped through Valdez and then down the coast. Evidence of this was many million dollars worth of pipeline piled on the tundra. Those of us concerned about the possibility of a Mackenzie route for this oil thought it could be the second line. Recently, though, events have taken place in the United States, outside our immediate jurisdiction. Hearings have been held, a pronouncement has been made by the Secretary of the Interior and a report has been issued by the defence authorities in Washington. There is now great doubt as to whether the Valdez line will, in fact, be the first line, and there is a possibility that the Mackenzie line could be the first and possibly only line built.

• (2:50 p.m.)

Again, Secretary of the Interior Morton, referring to the possibility of a Mackenzie valley line, said yesterday: "At the present time it would be appropriate for oil companies to talk to the Canadian government about a Canadian route". This, of course, the Canadian government is perfectly prepared to do. As the Secretary of the Interior said yesterday, obviously the Canadian route is an alternative. So that there is a very real possibility that the Mackenzie valley route will be the first line.

What the Canadian government is immediately responsible for is to determine whether or no such a route is preferable to Valdez and thence down the coast by ship. If it is preferable, then we must make our decision, and attempt, if we can, to ensure that that will be the line that is going to carry these northern resources.

Quite properly, I think both the country and hon. members opposite are entitled to ask what has been done. As is to be expected in an adversary forum such as this, hon. members opposite allege that nothing has been done. Quite often under our way of life governments, like all human institutions, do not move as fast, as effectively and are not as far seeing as we would like them to be. But if there is one area, one subject matter, with regard to which the government and those officials who are responsible to the people of Canada, have been looking a long way ahead, and in which we have moved forcibly, effectively and taken action in time, it is the possibilities for Canada of this Mackenzie valley land bridge for northern resources.

I should like to put on the record what has taken place in this regard, and this should assure hon. members opposite as well as the country that on this particular issue the interests of Canada have been well met indeed by the Canadian government.

First of all in regard to the offshore question, assuming the Valdez line were chosen, let me point out that the government has already taken definitive action to prevent oil damage in coastal regions, particularly on the west coast. We are, for example, in the process of adopting high safety standards for coastal shipping in our waters through the amendments to the Canada Shipping Act. In addition, we have moved to prevent any further drilling for oil and gas in the Straits of Georgia region, recognizing the unique recreational attractions of this area. I am convinced that residents of the Pacific northwest and the United States have no less concern for the protection of their coastal environment than their northern neighbours in Canada.

What have we done in regard to, to use the words of the motion, the ecological feasibility of an alternative route, the Mackenzie valley line? As I have said, the Prudhoe Bay oil discovery was disclosed in June of 1968. As early as within one month from the time of that declaration the chairman of the National Energy Board met with the presidents of the oil companies who owned that oil—Arco, Humble and BP—and pointed out to them that the Mackenzie valley line had advantages as an alternative and should be considered by them. Those corporate citizens determined, as was their right, that the quickest way to get oil to the markets would be via an all-American route.

In January 1969 it was announced that the Valdez line would be built. Shortly after that the pipe was ordered, and shortly thereafter was piled on site. But apparently that decision was arrived at without pervasive ecological and economic surveys being conducted. Indeed, there was not time to conduct them between June of 1968 and January 1969 when the announcement was made. Now, perhaps, the chickens are coming home to roost as a result of that fast decision. Environmental authorities in the United States, defence authorities, as I said, and the executive of the United States themselves, have voiced great concern about that line, as we have, vis-à-vis the potential danger of an offshore marine disaster.

What did we in Canada do? Even though it did not appear that the first line was going to be through the Mackenzie valley, it certainly appeared that the first gas line would be through the Mackenzie valley for there is no way of getting gas out of Prudhoe Bay except through Canada. There is, apparently, no known technology for the liquification of gas in those cold northern climes at the present time, so that the choice for the company would be to reinject the gas or transport it over Canada. So it did appear that there was a good chance of constructing a gas line across Canada, and that at that time there was the potential for a second oil line across Canada.

I do not blame hon. members opposite for having forgotten the action we took. Equally I am sure that they are not deliberately misstating the facts or attempting to take partisan advantage in this debate. However, it may be that by placing the facts on the record, most of which have already been put there, we can clear up any doubts that they may have as to the very responsible and really dynamic action that has been taken by the government from the start on this matter.

First of all there was the meeting between the chairman of the NEB and the companies. Then on December 20, 1968 the then Acting Minister of Energy, Mines and Resources (Mr. Pepin), in answer to a question from the hon. member for Calgary South (Mr. Mahoney), announced to the House, as reported at page 4221 of *Hansard*—I am sure hon. members are familiar with these words—as follows. He was asked:

> Can the minister confirm recent press reports that a task force has been or is to be created to study northern oil development?

The minister answered:

> Yes, I can confirm that, Mr. Speaker. The core of the task force consists of the deputy minister of energy, mines and resources, the chairman of the National Energy Board, and the deputy minister of Indian Affairs and Northern Development. This is a governmental task force and its purpose will be to bring together all information on the existing oil situation in the north, on transportation routes that might be used, and to co-ordinate all available information, from all federal agencies and departments, and then report and make proposals to the government.

So as early as December 1968, long before anyone was even concerned about a pipeline through the Mackenzie valley, the government had seen, had understood and had

acted and the task force was created. What has the task force done? I think that would be a very proper question to ask, one I am sure members are interested in, as is the country at large. First of all, to the task force has been added since the Department of Transport and now the new department of the environment.

The task force immediately established four sub-committees. The first sub-committee was a marine feasibility sub-committee. Its function was largely directed toward the progress of the *Manhattan* voyage. Members of that sub-committee not only travelled with the *Manhattan* and made economical, ecological and environmental reports, but I think they had a comprehensive overview, both before and after, of the *Manhattan* voyage.

The second sub-committee was the pipe line engineering and construction sub-committee. This committee was chaired by the National Energy Board; the first sub-committee was chaired, I believe, by the Department of Transport.

This second sub-committee has been making engineering feasibility studies of pipeline economics, the cost of such a line, the cost of a gas line, and then the cost of such a line compared with the TAPS line, including comparative tariff costs. As a result of such comparison I was able to give, for instance, not too many days ago, a comparison showing that we believe that a barrel of Prudhoe Bay oil could be delivered in Chicago 30 cents cheaper via a Canadian route than via the Valdez marine route.

• (3:00 p.m.)

The third Committee on Environmental Matters was chaired by an official of the Department of Indian Affairs and Northern Development. That committee has been sufficiently successful in its researches that it has now reached the position, after more than two years, of drafting guidelines pertaining to ecological matters of pipeline construction and operation in the north.

The fourth committee of the task force is the committee on marketing. It was chaired by an official of the National Energy Board. As my colleague the Minister of Indian Affairs and Northern Development has stated, this research has been co-ordinated with the work done by the task force, along with the information provided by various government departments. All this effort and structure has been at work since discoveries at Prudhoe Bay. This information has been continuously provided to government departments and others in respect of investigations carried out by these various organizations. We may be inclined to look upon the economic, environmental and ecological problems as being something particularly referrable to ourselves, or to Canada in general terms. We should never lose sight of the fact that the most important consideration is, surely, the well-being, the desire and the decisions of the northern people themselves; the people who live in this area. What do they want? That is the paramount question.

Of course, any pipeline will change the nature of life in the area. It will not be exactly the same north as it was before. That is probably always the question in a free society, to resolve conflicting—in this case conflicting interests between the economic well-being of Canada and the people of the north in particular, and the very rational and proper environmental interest, that economic well-being will not, as my friend the Minister of Indian and Northern Affairs (Mr. Chrétien) has said, be at the price of the depreciation of the environment and the quality of life, as the price whereby we have accomplished economic progress in the southern part of Canada.

Mr. Speaker, what about other departments? What has the National Energy Board been doing? We have had the task force and its four subcommittees. At the same time the National Energy Board has made computer studies on the effects of hot oil pipelines upon permal degradation. Degradation used in those terms has not a moral connotation. It means melting, Mr. Speaker, I am informed, of permafrost. Secondly, investigations into special properties of steel in extremely cold temperatures have been made by the board during this period. Thirdly, engineers of the board have attended at every research site and at every symposium on arctic research, including those in Alaska. Fourthly, they have been doing very comprehensive research, which I think one of my hon. friends in the New Democratic Party was concerned about, as to what the Russians have done in the area of the pipeline construction in the north. They, of course, as all of us know are many years ahead of other countries, certainly in northern settlement.

One of the scientists at the National Energy Board is completely fluent in Russian and he has been at work translating and interpreting all known Russian works on northern pipeline construction. At the same time, the officials of both my department and of the National Energy Board have been recently in Russia and have had considerable discussions with their Russian counterparts in regard to northern pipeline construction.

What about my own department as well as the NEB? What have they been doing in this period of two and a half years? Have they been asleep? Is this sudden concern an ad hoc decision? No! The mines branch has been doing research as to how steels acts in extreme rates of temperature and pressure from minus 80 degrees to 160 degrees and above. The geological survey of Canada has done extensive programming in the north concerned with terrain examination to determine routes which would present the least difficulty from a geological and terrain viewpoint and which includes permafrost conditions. I might say that the Geological Survey of Canada has had some 20 years of experience in permafrost research. They were well prepared to do this kind of work long before it became necessary by reason of the Prudhoe discoveries. I might point out that all this work by the board and by my department has been co-ordinated with the northern affairs studies of ALURA, to which my hon. colleague, the minister, referred.

The combined programs of my department, the board, and the Department of Indian and Northern Affairs, is supported by programs of university research specifically dedicated to this proposition of pipeline building in the north.

At the University of New Brunswick, with its permafrost group, at the University of Alberta, environmental studies, at the University of Saskatchewan Arctic studies, at the University of Laval permafrost studies, and even at the University of British Columbia we have had comparative studies which have been commissioned by the government to go hand in glove with those being done by the government. A total of over $1 million has been distributed by the Department of Indian Affairs and Northern Development with regard to these particular studies. The surveys and mapping branch of my department has given special emphasis and high priority to special mapping being done in the area of the Mackenzie Valley in order to assure that the proper routes are chosen.

The Arctic Research Centre at Inuvik, again under the Department of Indian Affairs and Northern Development, has been active in research. The polar continental shelf program under my department at Tuktoyaktuk has coordinated the many land programs that have taken place in regards to the research.

Again, the mines branch has conducted a study in its fuels division on the behaviour of oil under severe low temperature conditions.

So much for what has been done specifically. I can in this short time allotted to me only refer generally to programs. But surely to any fair-minded observer of the situation, this clear decision, this emphasis on research and development, this programming of departments was to assure that we would know and learn as much as possible, so that when the time came to make a decision on the pipeline issue we would be prepared in this matter.

At the same time, what about the private sector? What have they been doing? Have they been asleep? This is a mixed economy, I suppose, as between government and the private sector in our country today. What have the private sector been up to? I would point out that these private sector studies to which I am going to refer have at all times been attended, at the invitation of the private sector, by officers of my department, Department of Indian Affairs and Northern Development, the National Energy Board, who have worked on-site on these private studies in order that we might have the benefit in government of everything being done by the private sector as well.

My friend referred to the Mackenzie Valley Pipeline Research Limited at Inuvik. Here the resource of 15 of Canadian and world oil companies have been put to work, including all of the science and research engineering and know-how that they possess, in order to study the effects of pipeline construction in that cold climate.

I have had the privilege of attending at Inuvik there is a 48-inch line which is moving hot oil over the permafrost—two different studies; one above ground on piles and the other on gravel, BERM, with thermometers every few feet at various depths to determine how that oil might be carried safely without melting the permafrost. That is the key, as you know. I believe this is their second winter of complete study. Certainly when I was there last summer they were very encouraged that they were very close to being able to assure the country, or the National Energy Board who together will be the arbiters, as my hon. friend stated, of the safe conduct of oil under these conditions.

• (3:10 p.m.)

The Department of Indian Affairs and Northern Development will also have to be satisfied. Certainly this study has proven a great deal. These 15 companies, in conjunction with government scientists, have gone a long way and are very close to establishing the safe construction of a pipeline. Secondly, I might also point out that this private study has involved aerial surveys of the possible routes, soil analyses, ecological studies and construction and operation and maintenance studies of pipelines.

The second major private group is the northwest project study group at Norman Wells at the Sans Sioux Rapids. This is the first winter of study for them. That group is composed of six private companies. Again, all the government scientists have attended there and are invited there on a continuing basis. They too, have the back-up of all the science, engineering and ecological people within those companies on these very important major studies. Their low-temperature research in respect of gas pipelines is being done as well as photography re routes, checking of terrain, soil studies and ecological investigation. Alberta Gas Trunk is also continuing studies. This is all the scientific and research back-up which preceded the government's overt policy announced last August—long before there was any outcry in the House or any public concern in Canada about the construction of a pipeline, because then it did not appear that a pipeline was imminent. I am not critical of the House or the country for not having been aroused last August, or before, because it did appear that the first line was going to Valdez. But this was done well ahead of time, last August, because we wished to avoid some of the mistakes, possibly, of 1956—where there may not have been enough study or enough government direction before the event—and because we wanted to demonstrate very clearly that we had not done what occurred in Alaska, namely, make the decision to build before the research had been carried out. As a result of all this work and all these studies we were able to announce these guidelines which really form the foundation of the government's policy in respect of northern pipeline construction. These are not final and definitive, as was stated at the time.

We are not sure where the $5 billion is to come from. That is a decision which must be made. If it cannot be raised in Canada—Canadians and the Canadian Parliament no doubt will have a voice in it, and a choice—do we permit outside capital, non-Canadian capital to build this pipeline? Will it be good for Canada if we do? We have said a maximum of Canadian content, both financial and otherwise. The NDP, although they did not argue it very fully in their motion today, envisaged that the public of Canada will build this pipeline under public auspices. Would this be good use of $5 billion worth of public funds, with diminishing priorities in other areas? Maybe

the NDP are starting to print money too. We have not made a final decision. The guidelines are not final.

Mr. Deputy Speaker: Order. The minister's time has expired. Is there unanimous consent that the minister continue?

Some hon. Members: Continue.

Mr. Knowles (Winnipeg North Centre): Five minutes.

Mr. Greene: Mr. Speaker, I will try to wind up very quickly. I thank my hon. friends for their courtesy. These guidelines indicate the general tenor of the policy—a single corridor, not pipelines all over the north; a maximum Canadian content without being dogmatic, because we do not know exactly what proportion of the financing can be done in Canada. We do know—some members have voiced concern in this regard—that every pipeline construction company in Canada will be working full steam and every bit of pipe we can produce in Canada will be used in that line, and maybe every bit of pipe that can be produced all over the world will be used in the construction of that line. There will be a maximum right to the indigenous people to participate and have a voice which will be protected by the Department of Indian Affairs and Northern Development. Most important of all will be the right of entry to Canadian resources into this pipeline. It is not good enough that this be merely a bridge to transport United States resources to United States markets and that we have the boom that would go with construction, but no downstream benefit.

The most important thing is that the presently locked-in northern resources of oil and gas would have transportation to the marketplaces available to them. I think probably the key to growth and development in this great country of ours has always been transportation. It has often been said—maybe this is not too popular in the west at this time—that without the CPR there would have been no Canada. Without a transportation method for our northern resources, they will remain locked in and not be resources at all but merely something in the ground that would be a hope for the future. Possibly they might never be found in sufficiently great quantities or in close enough proximity to warrant the billions of dollars represented by the cost of a pipeline. So the most important guideline, under the conditions referred to, is that Canadian resources must have a right of entry into that method of transportation.

Mr. Speaker, I shall not take much more time of the House. The House has been most generous with me. The studies have continued since last August. They have not stopped. At the political level, when we saw there might be a possibility for the oil line to be the first we did approach our United States colleagues and voice our concern about the ecology of the west coast in respect of the marine route. We asked that this alternative Canadian route be considered. Remember, the law of this land is not that I, or the government, can tell anybody they can build a pipeline. The law quite properly is that a quasi-judicial body, the National Energy Board, will determine whether or not a pipeline can or should be built and whether it is in the public interest of Canada. But that decision must be ratified or denied by the government.

Therefore, I think we can assure the United States oil companies and the United States government, to the best of our ability and with the knowledge we have and the certainty we have achieved—and it is not complete yet in respect of the ecological factors—that there will be no unnecessary roadblocks at the Canadian end and Canadian governmental side. The key, as a United States official put it to me, is time. If this line is in the interest of Canada, if it is preferable—once you premise that Prudhoe Bay oil is going to moved by one route or another—in economic and social terms as well as environmental terms for it to be the Mackenzie Valley line, then the key is time. Can it be built more quickly? Will it get through the barriers, if you like, the slow-up processes of regulatory authority; and will the oil be delivered to market more quickly if it is to go via a Canadian route than if an effort is made to satisfy the various regulatory and environmental agencies and bull it through the Valdez marine route?

Therefore it is incumbent upon us, I believe, to expedite our procedures to the best of our ability, without rushing into something that is so important to Canada's future. I believe we have moved as quickly and as responsibly as possible. I believe we have been foresighted in this issue. I think we are in a position to move with considerable expedition if it appears that the entrepreneurs, the oil companies, and the government of the United States are interested in having the Mackenzie Valley line as the primary line and if it appears in the Canadian interest that this is where we want the oil to flow rather than down the coast of British Columbia.

• (3:20 p.m.)

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, it is a thrill for me to follow the Minister of Energy, Mines and Resources (Mr. Greene) in this debate and to see that there are five ministers in the House. One minister left a minute ago. It is better than the question period.

Mr. Anderson: Look at your side. You do not have six members.

Mr. Comeau: The Secretary of State for External Affairs (Mr. Sharp) stated that the opposition had been asleep. Let me point out that the opposition got the ministers out of the woodwork today and made them participate in the debate. But you need many ministers for each Tory member!

Mr. Reid: You may believe it, but no one else does.

Mr. Comeau: That is the problem; it is not the problem stated by some ministers. The Minister of Energy, Mines and Resources gave us a lecture on some of the things he has done. He said in his emphatic way that back in 1968 reports on this subject had been prepared. The trouble is that we have to act now and that we do not have the reports on studies that were supposed to have been started back in 1968. This is the problem we are faced with

now. A decision has to be made, and we must make representations on the basis of that decision. We have to bargain on it and on the results of the surveys that are supposed to have been made 2½ years ago and which, I presume, are still continuing.

The TAPS system will no doubt have profound and far-reaching economic, social and ecological effects. I do not want to deal with the economic and social effects but I want to deal with the ecological effects since this is the area that concerns me. I am not a westerner, and only the ecological effects concern me. Let us face the fact that the U.S. government wants and needs oil. The hon. member for Peace River (Mr. Baldwin), who moved the motion, the hon. member for Calgary North (Mr. Woolliams) and others have quoted statistics regarding the economics of this route. It is for us either to accept the proposed TAPS route or to find an alternate route in view of the ecological effects of a possible oil spill on the west coast.

The Minister of Energy, Mines and Resources referred to the Canada Shipping Act. The minister knows better than that; he knows that the Canada Shipping Act has no effect on the proposed new tanker route. An hon. member from the NDP stated this morning that if we had accepted their amendment, the problem would be solved. He also knows better than that. He knows that international agreements are needed and that only through international agreements can these problems be solved. You cannot simply say that we will have a 100-mile limit and that this is the way it will be. The minister knows very well that the 12-mile limit does not apply in this case. I am sure he did not want to mislead the House but was only trying to pretend that the government is doing something.

The ecological problem is not restricted to the west coast because shortly we will be faced with similar problems on the east coast. There will soon be an oil discovery on the east coast. This is being predicted by everyone. The point, therefore, is that consultations with the United States are absolutely necessary. I will not speak about alternatives, discuss what routes we should be taking or what the government should do. I only have one secretary at my disposal and I have not carried out the necessary studies to decide what is the best route.

What concerns me is that we have to protect our Canadian environment. Canada must speak strongly in this regard. Canadians have spoken, and so have I and many Members of Parliament. One hon. member has gone to the hearings, other members have sent letters to the U.S. Department of the Interior which is studying this matter, and Canadian organizations such as the Wildlife Federation have spoken out. But the government has not spoken out in this regard.

Some hon. Members: Hear, hear!

Mr. Comeau: It is true that the government has carried out studies, but we have not been able to find out the definite position of the government. As recorded at page 2848 of *Hansard* of January 28 this year, the Secretary of State for External Affairs said he did not consider the matter urgent enough to make representations to the U.S. government on the Valdez pipeline. He said:

> Mr. Speaker, I do not think we should be asked to take a position on a pipeline through United States territory. Just to clarify the point, I did not say we had made representations. I said there bad been consultations between ministers and secretaries.

When asked to put forward the Canadian position on the tanker route through Canadian coastal waters, he merely said:

> We consider this to be a serious problem and we are examining the matter now.

On February 9 of this year the minister rejected the idea that the Canadian government should make an official submission at the hearings opening in Washington the next week on the pipeline and tanker route. He merely said:

> We will be approaching the U.S. authorities at an appropriate time to seek their assessment of the risks of oil spills in the Pacific Northwest.

Incidentally, the main reason given by the minister for not officially appearing at the U.S. hearings was diplomatic protocol. Yet only one week later he urged residents of the northwestern United States, and Canadians, to speak out against the proposed shipping of oil down the coast from Alaska. In his article on this appeal, a *Globe and Mail* reporter commented as follows:

> The unusual nature of the Sharp appeal was heightened by the fact that Ottawa has not yet made any formal representation to Washington on the plan—
>
> The appeal, made before television cameras in the parliament buildings was an unusual departure for Mr. Sharp. Normally, he adheres strictly to the rules of diplomatic protocol in his public statements.

Thus we see that no definite stand has been taken by the Canadian government in this regard. The Canadian government sent a letter to the United States Department of the Interior asking for consultations on this matter. We have not even had a reply. This morning during the question period the hon. member for Esquimalt-Saanich (Mr. Anderson) asked the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Ouellet) whether a reply had been received and whether consultations would begin. We were told that no reply had been received and that there were no consultations; that consultations would be started at some time, but he did not know when. This is the type of answer we have been receiving from the government. This is the way we have been bargaining.

I submit that this is not enough. Even the Minister of Energy, Mines and Resources, this afternoon—in order to put forward the U.S. position on this whole matter—quoted an article from today's *Globe and Mail*. He does not even have an official document from the U.S. government stating the position of the United States; he had to quote an article from the *Globe and Mail* in order to tell the House what the Americans are proposing.

I asked whether representations had been made from the ecological point of view, because that is what inter-

ests me. The minister answered that no such representations had been made. I asked that a motion be made, and that is why we have a debate today. I asked the Secretary of State for External Affairs whether he would accept a motion from Parliament stating our objections to the TAPS oil tanker route and the concern of Canadians in this respect. I will read my question as it appears at page 3914 of *Hansard* of March 3:

> I have a question for the Acting Prime Minister. Since he is also responsible for external affairs, it will have a double effect. In light of the enormous ecological implications of the TAPS oil tanker route, will the government consider presenting a motion in Parliament to enable the whole Parliament of Canada to express Canada's insistence of full bilateral discussions and the frank recognition of Canada's interest in an ecologically satisfactory transport system?

• (3:30 p.m.)

The government did not want to accept a motion or to draft one in this regard, and so today we have a debate. I know this debate will be profitable because it allows the expression of points of view by many hon. members. But even after the speeches of the two ministers who have taken part in the debate—and I do not anticipate that any more ministers will speak—we still have not been told the Canadian government's position on this aspect of the matter. As I said a minute ago, today we find that consultations have not even begun in this area and no notice has been given of when talks will begin. As has been pointed out by some hon. members, pipe is already in Alaska ready to be placed in position—but we have not started consultations. This demonstrates the lack of interest displayed by the Canadian government.

I can see why the government has not started consultations. It is because the government has not yet decided what it wants. Last year the government made a big showing of its stand against pollution, as mentioned by the Minister of Indian Affairs and Northern Development (Mr. Chrétien). He stated that Parliament had passed many pieces of legislation dealing with pollution. This is true. He also stated that ecological studies had been undertaken. This is also true. But we have not yet been able to find the answers to the problem—and it is an urgent problem at this point.

A couple of weeks ago when the Minister of Public Works (Mr. Laing) was Acting Prime Minister, in reply to a question he said that government departments are studying the threat to the ecology which could be presented by a pipeline running through Canada. But we still do not know the position of the government. We still do not have the results of all the studies that have been carried out.

[*Translation*]

The Minister of Indian Affairs and Northern Development spoke this afternoon about the studies made by his department. I do not know how long the minister has been in charge of his department, but he should certainly look after the North, and if he really does look after its interests, he should at least state the department's position on this matter. He did not do so. He talked about what his department had done, but not about what he, as Minister of Indian Affairs and Northern Development and protector of the North, wanted done. He simply talked about a few small things his department and the government have done. He did not reveal the attitude of his department, which is really involved in this problem.

[*English*]

He has stated it is very easy for a member to get information on the position of the government. He has stated that guidelines have been issued. These things are true, Mr. Speaker; guidelines have been issued—but we still have not been told the Canadian government's position on this whole topic. Therefore I ask: Is it the policy of the government to oppose the TAPS oil tanker route as being ecologically too dangerous, and has the government expressed this opposition in a formal way to the Americans?

We do not know what the government has proposed to the Americans. This afternoon the Minister of Energy, Mines and Resources told us some of the things his department has done, but he did not state the government's position. We do not know how much bargaining the government has done on this whole subject. If it is the type of bargaining it has undertaken in other matters, then I would imagine it has been very scanty.

The Minister of Energy, Mines and Resources referred to an article in this morning's *Globe and Mail*. I quote the first paragraph of it:

> Putting all oil and gas pipelines from the north of the continent in a single corridor through Canada would have "much less environmental impact" than if pipelines are built both through Alaska and Canada, U.S. Interior Secretary Rogers Morton said yesterday.

That report comes from Washington; it does not come from Canada. The U.S. Secretary of the Interior thinks it would be appropriate for oil companies to talk to the Canadian government about a Canadian route—

Mr. Speaker: Order, please. I regret having to interrupt the hon. member, but his time expired about a minute ago.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, it is a pleasure to rise to take part in a debate on this topic. I only wish, however, that the wording of the resolution were a little more precise and had been thought out a little better. One might say it is a pious resolution, one which is careless in its wording and in some respects naïve. I say this because on the one hand it is asking government to take a position opposing one form of transport and at the same time it is suggesting—statements made since the debate began have supported this view—that we should encourage another type. The point I wish to make is the same point I have been making for some months now. Indeed, it is now a year since I first spoke on the west coast tanker route problem, and my point was then and is now that the information on both routes is quite inadequate for proper decision-making.

First let me deal with the western route, that is, Prudhoe Bay to Valdez, and Valdez to the lower 48 states. A certain part of this route has been studied,

namely, the pipeline portion, the portion from Prudhoe to Valdez. The Department of the Interior of the United States has produced a draft ecological impact statement on the pipeline. I am holding this statement in my hand; it runs to some 250 pages. Also, the department has published an internal paper which was leaked to the press, which runs to some 40 pages and is a critique of that report. In addition, there have been hearings held in Washington and Alaska on the draft statement. In other words, there has been a fairly thorough study of the Alaska pipeline route. I have no wish to go into the question of whether it has been adequate or not. I tend to think it could have been done better but, after all, that is a decision for the American government.

Where I think the western route—the Prudhoe Bay to Puget Sound route—has not been properly studied is the tanker portion of the route between Valdez, a port in southern Alaska, and Puget Sound; in other words, between Alaska and the lower 48 states. This has not been studied. This fact is perfectly clear from the report which I held up a moment ago, the American draft ecological impact statement. There are one or two paragraphs in it which deal with pollution at terminals, but nothing which deals with the ecological hazards of the route itself and the damage that might occur from spills in the Strait of Juan de Fuca and the Puget Sound area. All I suggest to hon. members on this point is that there is a very real risk in this area and there is need for considerable study of this risk.

I have no wish to deal at great length with the reasons I think there is a prima facie case of danger in this area. I refer hon. members to a book by Major Nicholson, entitled "Vancouver Island's West Coast". I also refer them to another book entitled "Breakers Ahead", by R. Bruce Scott who has studied the southern portion of Vancouver Island's coast. I would just like to give one quotation from Mr. Scott's book. He lists 55 wrecks on a portion of coast less than 55 miles long and says:

> As can be seen from this record, most of the wrecks were due to human error, and despite the development of modern life-saving techniques and aids to navigation (especially radar, which permits the navigator to see in fog and darkness), ships continue to be wrecked on the "graveyard".

The "graveyard", Sir, is the portion of the coast from Port San Juan to Cape Beale. It is known to mariners as the graveyard of the Pacific and it is for this reason that Mr. Scott refers to it as the graveyard in his book. Next I wish to quote from the British Columbia "Pilot". Pilot books, I might explain for hon. members who are not from the Maritimes or British Columbia, are the reference works which captains of vessels keep on board their ships for use when approaching unfamiliar waters. I have used them myself when navigating on my own small yacht and I know how valuable they are, particularly when entering an area not well known to the mariner. The British Columbia "Pilot", the standard reference book on the subject, under the heading "Navigation" says this about the Strait of Juan de Fuca:

• (3:40 p.m.)

> Navigation is simple, in clear weather; the aids to navigation are numerous and the chart is a good guide. In thick weather, however, owing to the irregularity of the currents and tidal streams, every precaution must be taken. The strait is liable to all those vicissitudes of weather common in these latitudes—

I would ask hon. members to pay particular attention to these words:

> —and in few parts of the world is the caution and vigilance of the navigator more called into action than when entering it from the Pacific Ocean.

I think I can state that there is definitely danger at the entrance to the Strait of Juan de Fuca. I quickly add this is only one problem in that body of water. There are many miles of water between the entrance and the refinery at Cherry Point, near Bellingham, now under construction. Some of these waters are very narrow, particularly Rosario Strait, Haro Strait and Boundary Pass, one or the other of which must be used by large vessels entering the Strait of Georgia from the Strait of Juan de Fuca. We know, of course, of a tragic accident in Active Pass, a much smaller body of water entirely within Canadian waters and to the north and west of the two channels I have named, where a ferry and a Russian freighter collided with the loss of three lives last year. We know that the week before that accident, the flag ship of the Alaska ferry fleet piled itself up on the rocks and, in the words of *Time* magazine, "tried to put itself ashore, amid the trees". That was only a week before the ferry and freighter collision.

The area is not an easy one for navigation. I think there is good reason for the closest possible study of this area prior to any decision on the tanker route. That is the point I wish to make at this time. This is a dangerous area. It is in need of study. That study has not been done by the Americans and has not yet been done in Canada, although I welcome the comment made by the hon. member for South Western Nova (Mr. Comeau) who referred to the statement of the Secretary of State for External Affairs (Mr. Sharp) that this will soon be done. The importance of this is recognized by the Americans as well as by ourselves. I sincerely welcome the initiative taken by the United States Secretary of the Interior, Mr. Morton, who promised one month ago at the Washington hearings, which I attended, that he would carry out a study. He said that his department would carry out studies on the sea route. The next day the Secretary of State for External Affairs wrote to the United States government and offered Canadian co-operation. We heard earlier today that there has been an exchange of letters and that co-operation between the two countries is proceeding very well. In this regard I only say, Mr. Speaker, that the position of our Secretary of State for External Affairs in this entire affair has been exemplary. He refused to be panicked by statements of opposition members in making diplomatic protests at a time when they could do no good. He played his cards well.

Mr. Comeau: And he has not been panicked by the hon. member for Esquimalt-Saanich (Mr. Anderson)!

Mr. Anderson: Mr. Speaker, I wonder whether the hon. member is interested in the details of this matter or not. It is very serious for British Columbia.

Mr. Comeau: Don't get so upset.

An hon. Member: Facts upset the hon. member.

Mr. Anderson: The statements made by the Secretary of State for External Affairs were, in my opinion, excellent because he did not, so to speak, waste his ammunition before the enemy was in sight. He waited until such time as Mr. Morton made a statement that he wished to have such a study undertaken and then immediately volunteered our co-operation. This was accepted and now there is the possibility of a binational study of this matter. I might say, however, that as a result of concern expressed in this House our Special Committee on Environmental Pollution decided, prior to the statement we heard today from Mr. Sharp's parliamentary secretary, to go to the coast and hear evidence from various people and experts on this question.

In other words, what the committee of this House wishes to do is to obtain evidence which, unfortunately, some of us in the west think we have but which we may not be right about. In other words, while I feel, as I have stated, that there is a prima facie case in this area and that I know a fair amount about this subject, I think it is most important for this House to accept the proposal of the Special Committee on Environmental Pollution and allow it to carry out its own study and to give an opportunity for all interested parties to be heard on the issue. We need more evidence; more facts.

The second aspect of this motion deals with the proposed pipeline which is to run from Alaska, up the Mackenzie Valley into southern Canada and down to the southern 48 states. I was delighted to hear it confirmed that a great deal of study has been done in this area. I believe that the people carrying out this job are doing a good job. I have confidence in them and in their ability to do the job. What I am not confident about is whether the organization of this material, from an ecological point of view, is adequate. I trust that we shall get further information from government spokesmen on this point.

In particular, I should like to know exactly what will be the composition of this committee which is to examine the ecological problems of the proposed Mackenzie Valley pipeline. How, in other words, is this study to be carried out? We do not have that information now. Although statements have been made about what is being done, we have not heard enough on how it is being co-ordinated. As I say, I trust that further information will be forthcoming from the government on this point. The government should make a clear response so that we may understand clearly how this information is to be evaluated. We know that information is being obtained. How, may I repeat, is it to be evaluated? Who will do the evaluation? Will there be public hearings? We want to know what will be the role of the Department of the Environment which, after all, will be taking over the wildlife services from the Department of Northern Development and Indian Affairs; and, as well, the responsibilities regarding water, of the Department of Energy, Mines and Resources. It is important for us to have this information.

In this context may I commend to hon. members the American National Environmental Protection Act of 1969, one of the major pieces of President Nixon's legislation. If we had such legislation in Canada it would enable us to surmount some of the difficulties concerning responsibility which we face. That act makes it clear that certain government departments, in conjunction with the people interested, must carry out such studies as the one I have in my hand, which I referred to earlier, entitled "Draft Environmental Impact Statement on the Trans-Alaska Pipeline". The department is required to hold hearings on such draft statements, and interested parties may appear and comment. I did this myself in Washington last month. After that the decision is ultimately made on the basis of what has emerged from the public hearings as well as on the basis of information which the department of government and, of course, the companies concerned, produced.

I feel that the American act could well serve as a model for similar legislation in Canada which would straighten out the responsibilities of various departments in this field. It would not solve all our problems, because problems in this area arise constantly. We must be constantly aware of them and all departments must pay attention to them. Such legislation at least would make clear what procedures must be followed in the ecological evaluation of matters such as the proposed Mackenzie Valley pipeline route.

Mr. Chrétien: Mr. Speaker, would the hon. member permit a question? Is he not aware that in connection with the Territorial Lands Act, concerning the land in the north, we have the right to conduct similar public meetings?

Mr. Anderson: Mr. Speaker, the minister is quite right in mentioning that amendment. What I should like to have, Sir—and I am speaking generally at the moment—is an act which could be applied, no matter where a proposed development occurs, be it in Quebec, British Columbia, the Northwest Territories or the Yukon. It should spell out standard procedures to be followed when ecological studies are being undertaken. For example—and it is a small one—if such an act and such procedures had been in existence before the seaway was built it might have warned us of the lamprey problem. That is the type of thing we ought to attend to. Certainly, the situation at present is far from that because, although we have excellent people who are concerned and who are doing good work, there is not an adequate standard procedure in these cases which can be followed. That procedure could well be based on the American National Environmental Protection Act. I urge hon. members to consider this.

It is clear, then, that we have on the one hand two routes to consider. One of these is from Prudhoe Bay to Puget Sound, half of which has been examined. We are not sure that it has been examined properly, and the Americans are uncertain about it. The other half, the sea

portion, has not been examined at all. As well, we have the Canadian route with respect to which, as the minister said, we have not completed the required studies. We do not know what the impact on the ecology on that route would be. We are discussing two routes. Half of one route has been properly examined from the ecological point of view; there is doubt about that. It is obvious at this point that we are faced with an area where knowledge is inadequate. We must wait until knowledge is better before we proceed. We cannot make decisions now. I was pleased to hear the Minister of Indian Affairs and Northern Development (Mr. Chrétien) make a commitment to wait.

• (3:50 p.m.)

When we are discussing transporting oil from Alaska to the southern 48 states, it is important that we do not become too involved with the red herring of ownership of this pipeline, such as the NDP has done. The minister referred to this. If a pipeline between Alaska and the lower 48 is to carry American oil—and let us remember we do not have oil of our own to carry—there is no reason why we should deprive growth areas of investment of Canadian dollars putting into the pipeline to carry American oil between two portions of the United States of America.

Mr. Speaker: Order, please. I regret to interrupt the hon. member who is making such an interesting speech. We have tried to limit speeches to 15 minutes in order that as many members as possible will have an opportunity to participate.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I rise to support the amendment of my colleague, the hon. member for Comox-Alberni (Mr. Barnett), and to commend the official opposition for having made their opposition day one in which this very pressing problem can be discussed. Some interesting speeches have been made by government members. However, I am left with the general impression that these members, particularly the minister, really had the intention of pouring oil on troubled waters, whereas at least in this portion of the House our party is diametrically opposed: we want to pour cold water on troubled oil. What confronts many thousands of people in British Columbia is the potential oil spillage, ruinous to our maritime life, beaches and the welfare of our people. I ask hon. members to consider these effects which illustrate a threat.

The plan of a section of the United States oil industry is to bring oil from Alaska down our British Columbia coast-line to a refinery already rising a scant 11 or 12 miles south of the lower mainland of British Columbia. Half of the population of British Columbia lives in the lower mainland. This tanker fleet will travel through zones and straits especially dangerous to the vast floating bathtubs that they are. They are so vast that before they can slow down to change course, it is reported that they cover three miles. These tankers will be four or five times the size of the *Arrow* whose oil loused up the Maritimes coast and cost millions of dollars to clean up.

I have a special concern in this matter. My constituency of Surrey-White Rock is just across the international border from the Cherry Point area in the state of Washington, where the refinery which will receive the oil from these tankers is being built. I wish to quote from the White Rock *Sun* with regard to the refinery, the situation facing British Columbia waters and the waters of Washington state. Many Americans are as much against this project as we are. I quote as follows:

> The $150 million Atlantic Richfield oil refinery at Cherry Point bristles with industrial spires. Huge trucks continually stream back and forth through the guarded gate. Outside the compound some 300 cars in the parking lot are mute evidence of the numbers of workers within.

It is later than some hon. members realize, Mr. Speaker. We should not overlook the additional potential threat which will exist in the northern Pacific waters if the oil is brought down by the land-bridge plan instead of by oil tankers along our coast to the Puget Sound area. Possibly part of the crude will be reshipped out of that zone through the waters to the south. If that happens, we will still have a potential oil water spillage threat, although admittedly reduced.

Bearing in mind the confined waters of the Strait of Juan de Fuca, the passageways through the Gulf of Georgia and the San Juan Islands and the heavy shipping traffic already using these waters—the increased tanker traffic to handle the hundreds of thousands of barrels a day—will surely result in a collision and an oil spill. An oil spill from a tanker carrying 300,000 tons, if it is washed on shore, will create a blanket of oil one inch thick, 30 feet wide and 3,000 miles long. Those who know estimate that if this oil shuttle-service of huge tankers is established, we can count upon two to four oil spillages every 10 years. In other words, we can count upon our marine life, beaches and way of life along the coast of British Columbia, Vancouver Island and the gulf almost being desecrated.

Hon. members are familiar with the findings of Dr. Patrick McTaggart-Cowan who directed the $3 million clean-up required off Nova Scotia after the comparatively minor wreck of the *Arrow*. I say "comparatively minor" because what is proposed with regard to the giant oil tankers that will travel down the Pacific coast will be four or five times the size of the *Arrow*. Dr. McTaggart-Cowan said:

> Seven per cent of the world's ships are involved in collisions every year—Incidents involving oil tankers average one per week. Some 300 million gallons of crude are leaked into the seas every year from such incidents.

The people of British Columbia are not easily united; in fact, they are very easily divided. However, the threat of the oil tanker shuttle-service off our shores has united the people as one. They have rallied as one against it. The ecologists, ordinary citizens, city councils, the British Columbia legislature, unions, churches, the old and the young all have one concern and one determination: they will do everything they can to see that no oil is shipped along our coast and that we are spared the inevitable desecration and ruination of our shores.

I remind hon. members that we should not overlook one additional danger in this area. We must keep in mind the pending underground massive nuclear blast by the United States which is scheduled to take place this fall in the northern Pacific. It will take place in a very prone earthquake zone not far from the shores of Alaska where it is planned to build a pipeline from the oil fields to the port for transshipment by tanker. In my view, this is an additional threat to the people on the west coast of Canada and the United States. It is evident that the matter of carrying oil, whether by sea or the alternative route by land through the Prairie corridor, is too important to be left to an industry, municipality, province or state. Indeed, oil and oil pollution, particularly with regard to the movement of vast quantities by water, is a global matter. We need international agreements as well as a clearcut, well-defined Canadian oil policy.

• (4:00 p.m.)

We must stop the threat to British Columbia, research the proposed pipeline corridor through the Prairies and bring under public direction and, in my view, under full public ownership this growing section of the oil industry. But the thought foremost in my mind, speaking as a British Columbian, is to do all we can to stop this plan to move the oil by water along the B.C. coast. It is the duty of the opposition to keep an eye on the government to see that it follows a course which puts people before the profits of industry.

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, this whole question of the oil and gas reserves in the Arctic areas, both in Canada and Alaska, and the means by which they can be delivered to the market naturally divides itself into two main lines of consideration. One concerns the ecological dangers which the transportation of oil and gas involves, and the other relates to economic considerations—the cost, the effect on the people of the north and the ultimate benefits to people living on this continent.

In considering these questions there is no place for what might be called narrow nationalism. The only way in which the oil and gas reserves of the Arctic slope can be utilized to the advantage of Canada, the United States and the world as a whole is through close co-operation between Canada and the United States and agreement as to the best and most economic means of getting oil from these far-northern areas to places where they will be urgently needed in the years ahead.

Neither is there a place for what might be called highly-charged emotionalism in connection with ecological damage. The taking out of any natural resource inevitably causes a measure of ecological damage. This act needs to be realized. Some of the people who are completely sold on the idea of preserving the ecology would, it seems to me, prevent the exploitation of any of our natural resources if they had their way. We should avoid this attitude.

One thing which is certain in connection with the large amounts of oil known to exist in the Prudhoe Bay area, and the large amounts which will undoubtedly be found in the Canadian Arctic, is that they will be brought to market. The Americans will transport the oil from Prudhoe Bay for use in the United States and, to a lesser extent, in Canada. We must look at this question, then, from the point of view of deciding how the transfer of this oil and gas can best be done in a way which will cause the least possible damage and result in the greatest economic benefits for the United States and Canada.

It has been pointed out by government speakers and others that if the oil is transported by tanker from Alaska to the Seattle area a large oil spill is inevitable in the course of time. The whole picture of the transfer of oil by tanker shows that accidents occur with predictable regularity. No doubt widespread ecological damage will result to the Pacific coast of Canada and the north. In these circumstances, the only alternative is to take out the oil by pipeline through the Mackenzie valley. Perhaps the Canadian government has been slow in putting pressure upon the United States government to recognize that this is indeed the situation and to arrive at a scheme for bringing the oil through the Mackenzie River valley to the ultimate advantage of both countries.

As the minister has pointed out, the estimated cost of delivering oil to the large United States markets centred on Chicago would be appreciably less if the oil were brought out by pipeline, through the Mackenzie route, than if it were moved by sea. In considering this question I think a clear distinction should be made between oil pipelines and gas pipelines. There is urgent need for supplies of gas at the present time, and within five or ten years the need will probably be desperate. There is no question that a gas pipeline will be built.

The ecological damage likely to result from building a gas pipeline will not be very great; it will consist chiefly of the damage done to areas of permafrost directly involved in the construction and maintenance of the line. An oil pipeline is another matter. Unless a satisfactory means of constructing an oil pipeline over permafrost can be found, a certain number of breakages in the line will probably occur and spills of oil will have to be reckoned with. On the other hand, the damage done would certainly be much less than would be the case in the event of a tanker spill off the Pacific coast.

I do not believe most people realize that the Mackenzie River Valley route does not present nearly as many difficulties with regard to permafrost as does any other overland route, particularly the route from Alaska to Valdez. The tree line in the valley extends very much further north than it does in areas to the east and west. As a matter of fact, I think the permafrost extends only 70 or 80 miles south of Aklavik. From there on one is really out of the heavy permafrost area. The difficulties of building either a gas pipeline or an oil pipeline through the Mackenzie route are therefore very much less than would be involved in the case of any other route.

I agree with previous speakers who have described this subject as one of the most important to come before the House for discussion. But I do not believe we should mix basic considerations with the question of the way in which the pipelines are to be financed. For this reason I

deplore the NDP amendment, which, is an expression of Socialist ideology. I do not believe this is a matter in which ideology should be a dominant or determining factor. To the extent that it is, it will merely complicate the issue and make a proper decision on basic questions more difficult to achieve.

• (4:10 p.m.)

I think there is little question that the pipelines will be built by Canadian-incorporated companies who will probably get as much financial support from Canadian citizens as possible, securing the rest of the funds required from sources outside the country. It seems to me that that is the reasonable way to handle the building of the pipelines or their financing. The question of raising taxes or taking money from the Canadian taxpayers to finance transportation of what will be primarily United States-owned oil and gas does not seem to me a very reasonable or sound proposition. I hope the government will take a much more definite stand than they have hitherto in urging upon the United States government the necessity for making a co-operative effort to bring the oil and gas resources of the north down to market, and will drop the more or less stand-offish attitude the government has taken so far.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will abbreviate my remarks since hon. members who have spoken before me, particularly the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Minister of Energy, Mines and Resources (Mr. Greene), have confirmed in their remarks many of the matters I have been made aware of by the petroleum industry, and repetition would not be of advantage. I want to try to make sure that the hon. member for Northwest Territories (Mr. Orange), through whose riding much of the subject matter of today's debate will ultimately flow, has an opportunity to say a few words.

I was very interested in the comments of the hon. member for South Western Nova (Mr. Comeau) and particularly in his claim for credit for this motion, which I am sure hon. members on both sides of the House appreciate. Had we not had his assurance that he was responsible for it, one might have assumed that the hon. member who moved it, or the hon. member for Calgary North (Mr. Woolliams)—whose inimitable prose comes through in the wording of the motion—had had responsibility for the motion.

I share the confidence of the hon. member for South Western Nova in the ultimate success that will meet the exploration efforts off the east coast of Canada. I am wondering whether he will be able to resolve this matter to the single criterion of ecology, as he is able to when this resource is lying some 4,000 miles away from the territory with which he is most familiar. Perhaps when faced with the reality of the matter, some of the technological, economic and social consideration involved in the business of petroleum exploration and transportation will assume a more important role in his thinking. Of course, rolled up in a ball of wax all these considerations amount to political considerations, and this is one of the facts we must face.

We are talking today of oil that is located in the state of Alaska. We are talking about getting that oil from the state of Alaska to the southern 48 states of the United States—and we are talking about this question in the Parliament of Canada. It seems to me that the state of Alaska will be very concerned about getting that oil to market as well as about the public works required to achieve this result. A pipeline down the Mackenzie Valley is something that we can understand would be very desirable for Canada. Certainly we can argue for this from the ecological point of view; and I think we could probably very sensibly argue for it from the economic point of view as far as the customers at the end of the line in the United States are concerned.

It seems to me to make no sense at all to build a pipeline across Alaska, to transship the oil down the west coast by vessel, transship it to another pipeline in the state of Washington and then through that pipeline across the Rocky Mountains and into the Chicago market. In the long run, the Mackenzie Valley line, in spite of the fact that it will cost some 2½ times that of a trans-Alaska line, simply has to be the logical and sensible way of moving this oil. The state of Alaska will have a great deal to say about this pipeline and will demand the greater share of the works to be constructed. That is a reality of political life. I think the people of Alaska are in a much better position to bring political pressure to bear on the government of that state and on the government of the United States than are all the Canadians in and out of the House of Commons who are concerned with Canada's ecology.

I also suggest the Japanese market is another very important factor to be considered in this whole issue. Japan is a market that depends on the Middle East for 95 to 97 per cent of its petroleum supplies. Anyone who has any knowledge of world petroleum supplies will realize that today's situation is not a particularly enviable one to be in for a growing economy such as Japan's.

Whether the pipeline is built this year or next year, whether the technological problems and the ecological and economical considerations are resolved now or later, I am very firmly convinced that there will be a trans-Alaska pipeline. There will be a trans-Alaska pipeline because of the advantages to the state of Alaska of building the line in Alaska, because of the necessity of building it to serve the Japanese market and because of the necessity for the pipeline as part of a delivery system to the California market. The California market and the Montreal market are two areas in North America that will have to suffer gasoline rationing if supplies of petroleum from outside the North American continent are ever cut off. There is no way, given the continental pipeline system today, to deliver the fuel requirements of California or of the Montreal industrial complex without petroleum from outside sources.

In speaking of a Mackenzie Valley line in terms of oil, we are speaking of an additional line, not an alternative line. Both lines will be built. The Mackenzie Valley line

may very well be built first, and I hope it is; but ultimately there will be a TAPS line.

In my submission, the Canadian government had done a very good job in making representations on behalf of the petroleum industry of Canada and Canadian interests in the United States. When the United States government imposed quotas on the importation of petroleum to the United States, the Canadian government kept its cool. It did not succumb to the blandishments of those who suggested that Canada should impose counter quotas, as if to say, "Let's show them". We allowed the political pressure on the United States government in that situation to come from where political pressure counts, and that is from the United States.

That is why I am very firmly of the opinion that in this particular case the government, and the Secretary of State for External Affairs (Mr. Sharp) in his appeals to the United States public to be conscious of the ecological dangers posed by a trans-Alaska route and the shipping of oil down the west coast, are following precisely the course of action that will lead to results. We know from this morning's *Globe and Mail* that the United States Secretary of the Interior has already indicated his desire that the Mackenzie Valley route be explored. I suggest that in view of this sign of the effectiveness of our policies and the effectiveness of the pressures put on the United States government from their own constituents, it will not be too long before results will be achieved.

In conclusion, I can only say that we are talking here about United States oil, about United States markets and the problem of getting that oil out of the ground and into the market. It is really a United States problem, one that is within their sovereignty. The United States government will have to respond to real pressure from within the United States. All the pressure brought to bear by the Canadian government can achieve only one result, and that is the weakening of the bargaining position of the Canadian government. If the U.S. government feels that the Canadian government, as a result of public pressure, has its hands bound in some way, then the Americans, good businessmen that they are, will take advantage of that fact. Let us keep the ball in the United States' court, and let us at the same time express our willingness to deal fairly with them, bearing in mind continental, Canadian and the United States interests.

• (4:20 p.m.)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, generally speaking, I agree with the motion of the official opposition blaming the government for its attitude with regard to the construction of a pipeline for the transport of oil from Alaska to the United States.

I would like to make two brief observations, the first of an ecological nature, the other of an economic nature.

Obviously, the first is the most important. Oil production increases by 4 per cent annually, while its transport by sea increases by approximately 60 per cent. At the present time, the production and transport of oil presents particularly great dangers of pollution in the waters of the Arctic, where polar conditions slow down considerably the degradation of oil.

We have seen the destruction that resulted from the wreck of the *Arrow* in Chedabucto Bay which happened in the temperate zone.

In 1954, 1962 and 1969, Canada was one of the countries signatories to an international convention on sea pollution. The United States have not yet agreed to sign the document.

International maritime law seems to evolve very slowly and does not sanction any measure regarding sea pollution although the maritime pollution treaty Canada signed allows the contracting parties to impose fines to ships causing pollution within 100 miles of shore. The fine can be levied only against ships of countries that have signed the international agreement, and not being one of them the United States are exempt.

Since international maritime law is very slow to change, I would like to quote what the Prime Minister (Mr. Trudeau) said, in spite of the objections raised by the United States about the Canadian legislation extending to 100 miles the control area in the Arctic waters, in order to prevent pollution. The Prime Minister stated the following:

> Canada will not submit that legislation to the Hague court as long as international law has not caught up with technological developments.

Indeed, more than 40 countries have approved that treaty and the Canadian government's attitude has been one of indifference with regard to its southern neighbour when it should have urged it to sign that agreement.

To place the problem in another context, I would say that the United States have already suggested the construction through Alaska of a pipeline to be known as the Trans-Alaska Pipeline System or TAPS. The oil products would then be carried from Alaska to the United States by tankers, which, obviously, would present a serious threat of pollution along the coastline of British Columbia. This threat becomes that more obvious when one considers that the United States have, on several occasions, refused to recognize the Canadian rights of maritime control up to the limits claimed by the Canadian government.

There is a second problem regarding which the Canadian government has shown apathy. Faced by this threat, the Canadian government claimed that it could do nothing more than to suggest the construction of a pipeline through the Canadian North and Northwest, down the Mackenzie Valley.

For too long, Canadian development has been dictated by the profit motive. This is no longer a question of profit or investment, but one of quality of life and means of survival. The environment of central Canada has been spoiled badly enough, through the lethargy of the government, without doing the same thing now in the North.

Until today, the problem was dealt with in such a way as to oppose the interests of the West coast of Canada to those of the North, and the decision was made to give

preference to the latter. In so doing, we are guilty of a third mistake, since in giving preference to the interests of one region of Canada rather than to those of the country as a whole, the national interest is being ignored. I shall come back to this later.

And that is not all. It is not only a question of maintaining a balance between different interests, as the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Minister of Energy, Mines and Resources (Mr. Greene) would have us believe. We must go further and not be afraid to impose our Canadian viewpoint. We must not resort to force for this purpose, but we must get our feet out of the same boot, and quickly.

If, as it was suggested by the federal government, we offer the United States an alternative to TAPS, it is absolutely necessary that this system and the route should be better. The Mackenzie route is certainly not so, at the moment. No sufficient study has been made up to this day of the permafrost problems and of the risk of the pipeline system heating the ground and thus damaging the pipeline.

In addition, unfortunately, polar conditions would offer many a problem, should oil be spilled.

I agree with the motion of the Progressive-Conservative party to the effect that no development should be undertaken without the problem being scrutinized, which has not been done. We must not always yield to our southern neighbour, even though we are mindful of our own interests. We must solve the problem before taking any action and make sure that our interest will really be protected, because in the North, we might be able to prevent rather than cure. That is why I feel this debate is extremely important.

Mr. Speaker, I shall conclude my remarks here to comply with your wishes that I limit my speech to ten minutes, in order to give my colleagues the opportunity to take part in this debate.

I suggest that under the Canadian Constitution of 1867 the Canadian Parliament has the power to legislate on all coastal and inland fisheries. It can not only make all laws involving marine and aquatic life, but even reassume, as and when it deems advisable, powers in this field which may have been delegated to one or other of the provinces.

Marine and aquatic life includes plants as well as animals. Any kind of aquatic life comes within the jurisdiction of the federal government whose powers in this field are unrestricted.

Mr. Speaker, the present government, vested with such powers, is placed in a critical position by the requirements and the needs of the United States and is now inclined to compromise with that country, but an examination of statements made by the various ministers of the Crown on this matter and a consideration of the underhand positions of the government will tell us that three points are being ignored which I want to bring to your attention.

In the first place, for us Canadians living in 1971, ecology is the art of survival and in this respect nothing, not a single study even, has yet been undertaken. Here, I have a copy of a speech made by the Minister of Fisheries and Forestry (Mr. Davis) before the Capilano Liberal Workshop Acadian Gardens in North Vancouver last February 12. In this speech the minister was confessing to the fact that no studies had been undertaken, that everything still had to be done in this field and that could not proceed any further for the time being until we became more knowledgeable on ecology.

• (4:30 p.m.)

The minister himself said that for him and his government ecology was a new science and a word they could not even spell.

The second thing the government will have to do will be to guarantee our economic interests. Instead of conducting thorough economic studies to defend Canadian interests, ministers merely make startling and contradictory statements, which is not likely to reassure Canadians.

I was a member myself of task force on oil last year with a group of American parliamentarians, and we had absolutely no document to defend the interests of the Canadian government, unlike the Americans. They came with documents, helped by researchers and experts. They knew where they were going. As for us, we did not know exactly what to say or what to do, since the Canadian government was sending us there for show, without a serious position and without a thorough study.

This is why, if we rely on appearances, we will be forced to conclude—I speak about those who have studied this matter quite seriously—that, after all, there is nothing.

The government does not seem to take a position about the sovereignty of Canada. According to the British North America Act, it is the sole valid power to protect the environment in Canada. But as it constitutes the only power and claims the exclusive use of this power, it will have to suffer the defeat of its policy, if it is not careful, if it is not really Canadian but simply the puppet of the Americans.

For this reason, I support without reservation the motion of the Progressive Conservative party because it allows us to discuss a very important problem, namely, pollution.

Mr. Speaker, if the Canadian government does not make a real and extremely thorough ecological study, if it keeps on with its noisy and conflicting statements—whenever it sends its members on a visit to our southern neighbour—if moreover, it forgets it is the supreme authority in such a field and that the Canadian people are ready to invest large amounts of money for the preservation of their environment, if, for the sake of petty interests it forgets Canadian sovereignty and fails to convince the United States to adhere, along with 40 other signatory countries, to an agreement that has existed for more than 17 years, I seriously wonder what influence the government believes it has now to safeguard Canadian interests in the problem that concerns us at the present time.

It is still time today, more than ever, to do something because the situation is extremely urgent.

[*English*]

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I believe this debate has been most useful and productive. I believe the Canadian public now understand better what this business of a pipeline in the north is all about. Northern people have been aware of the possibilities of pipelines through their country for some time. Naturally, like other people they have questions and concerns and wonder what it will do in respect of their lives, the environment and the area in which they live. The majority of the people whom I try to represent to the best of my ability are the Indian and Eskimo people of the Northwest Territories. These people are aware of what is happening as a result of oil and gas exploration in the Mackenzie Valley and in the high Arctic Islands. They have a number of apprehensions in respect of how their lives will be affected.

At the very outset I believe it might be useful to read into the record a letter sent to the Minister of Indian Affairs and Northern Development (Mr. Chrétien) by the people of Fort Good Hope which is an Indian community in the Arctic circle on the Mackenzie River consisting of 400 or 500 people, most of whom are hunters and trappers. This letter was sent to the minister by the Fort Good Hope Settlement Council, which is composed primarily of Indians and Métis. It is addressed to the Minister of Indian Affairs and Northern Development and states:

> In view of the apparent increasing opposition by the people in the N.W.T. to oil exploration, gas and oil pipeline construction etc., we the Fort Good Hope Settlement Council on behalf of the people here wish to give you our support in this area of northern development.
>
> Our people realize that exploration does, in some ways disturb the environment and cause problems, but we strongly feel that progress must be encouraged and not discouraged, as it seems a minority group are trying to do. The people who say that the N.W.T. natives are united in their attempts to halt the pipeline are wrong. We feel that the pipeline when construction starts, will give us nothing but benefit, and at that, less benefit than these settlements who are right on the proposed route of the pipeline.
>
> If it were not at this time possible for our men to work on experimental pipeline, seismic or drilling crews, there would be no employment at all in our area, our men on these jobs are being well paid and treated very well by their employers. Rey Geophysical and the experimental gas pipeline run by Williams Bros. have been exceptional in hiring from here.
>
> We also feel that if the government and the oil companies when moving into the area first of all have a discussion with the people of that area and explain their purpose for being there, and most important to the people, hire some of them to work on the project. If this is done there should be no opposition to oil work in the north, and certainly not for the Fort Good Hope area. It is when a company move in and start work in the area without us knowing who they are, or what they are doing, and without hiring our men that we have resentment against them, early discussion will save later problems.
>
> Sincerely,
> Fort Good Hope Settlement Council

Mr. Speaker, in the few moments I have available to me I want to stress to the government and the oil industry that it is important that the people in the north benefit from the construction of oil and gas pipelines. I think up until this point the government and the companies have been aware of the importance of involving the northern people in this program. As has been outlined by the two ministers today, we have seen the attempts by the government to communicate with the native people in respect of the plans for and effect of oil and gas exploration and oil and gas pipelines. I should like to think that the northern people generally want pipelines, but under proper conditions. They want part of the action. They want to be involved. We want to see these people involved not only in the construction phase but in the operational phase. Already as a result of the test programs conducted by a number of the groups interested in building these lines and operating them, certain programs are under way. I say to these companies and to the government: It is a good start, but it is only a start.

• (4:40 p.m.)

If we look at how much of our land we will use in the construction, we will find that statistics show that less than 40 square miles of the Northwest Territories would be used for the construction of a gas and oil pipeline. However, this line will move through various parts of our country, from permafrost through muskeg, along eskers and into the boreal forest area where pipelining should not present any particular or unusual difficulties. However, the Arctic areas concern us. We have heard again today of the work that has been done in Inuvik by the Mackenzie Valley pipeline group to investigate the effects of pipelines on the tender Arctic ecology.

I am one of those fortunate people in this House who has had an opportunity to observe this pipeline experiment. As I understand it, this experiment is designed to test oil pipelining under all possible conditions. It is in the second winter of its operation and, as the ministers have indicated, hopefully results will be forthcoming on the effect on permafrost before the end of this year.

There is a third area which I think must be considered. Some discussion has taken place today with regard to the route. Regardless of whether we end up with an oil pipeline in the Mackenzie before or after the TAPS line is built, as was so well put by the hon. member for Calgary South (Mr. Mahoney) I am convinced that there will be a gas pipeline. This gas line will run from Prudhoe Bay, along the Arctic coast, possibly make a detour through the Yukon and the Old Crow Flats and then go up the Mackenzie River.

There is a problem of which I know the government is aware, but I think it has to be brought out—that is with respect to the route of the first part of the line.

There are two alternatives. One is that the pipeline goes down the Arctic coast from Prudhoe, turns the corner at Richardson Mountains over the Mackenzie River and then continues on up the Mackenzie Valley. The second alternative is to avoid the Arctic coast, because of a wildlife reserve which is in Alaska, and cut across the Porcupine Valley into the Old Crow Flats. I would be concerned about this direction because it would

have a very great effect on the Old Crow Indian people in the Yukon territory. They are completely self-sufficient today as hunters and trappers. Unless we are absolutely satisfied that this route will have no effect on their future habitat, I think the only alternative is to make an adjustment so far as the Alaska wildlife reserve is concerned.

To a northerner and to a Canadian these pipelines can set the tone of prosperity in Canada in the 1970s. We hear these astronomical figures of $5 billion, $6 billion or $7 billion for the construction. When you take into account the amount of pipe, the use of transportation and the volume of employment during the construction phase, you see what this will do for our Canadian economy. I believe that at this stage the Canadian government holds all the cards that they need to ensure that Canada get a fair deal from whatever develops as the result of the construction of one line or both.

I know that the feeling is that we want to have as much Canadian participation as possible, not only in the financing of the pipeline but in its construction, the use of materials, supplies and the employment of men. So I would like to think that these problems can shortly be resolved to the satisfaction of all concerned, to the satisfaction of the people who require the oil and gas, to the satisfaction of the people whose lives will be affected by whatever route is taken and to the satisfaction of the Canadian people generally. We must ensure that Canadians get the full benefit from a development of this magnitude.

In conclusion I want to speak again about our native people in northern Canada and reiterate what I said earlier, that no effort is too great on the part of industry and government working in unison to ensure that our people understand what is happening to them, understand the meaning of these massive machines that will be cutting across their land, understand that this will not necessarily change their way of life and that they can continue in their old ways and still have new and developing functions taking place around them without interfering with their normal ways. We must ensure that when this project moves on there is complete and total involvement in the job so far as our northern people are concerned. The ministers have already indicated their determination to see that this is carried out and I am convinced that we can accept what they have said, because the results are already starting to show.

Mr. Randolph Harding (Kootenay West): There is not much time left, Mr. Speaker, but I would like to speak briefly on this rather important motion which is before the House. Most of all I would like to address myself to the amendment which was moved by our party. The amendment was that we add to the motion the following words:

—with a view to developing under public ownership a transport system for oil and gas which will best serve the long term interest of the Canadian economy.

A number of those who have spoken in the debate have indicated that they feel the type of amendment offered by our group does not seem to fit into this picture very well. I could not disagree more with the government members, the official opposition or those who are opposed to the Canadian pipeline. If it comes from the north and is a common carrier, it should be publicly-owned. We should control this common carrier which will bring the great wealth of northern Canada to this part of the world. What is wrong with that? Here we have a clearcut issue of Canadian ownership and we challenge the government and members of the House on this issue.

Mr. Greene: Would you raise taxes to pay for it?

Mr. Harding: If we are to have a pipeline bringing not only U.S. gas and oil to Canada and to the U.S. but a common carrier that I hope will be bringing vast amounts of Canadian gas and oil from the north, then this is a stand which we must take—and we must take it this year. The government must be prepared to see that we have the pipeline Canadian-owned and controlled.

• (4:50 p.m.)

We will not drop this issue, Mr. Speaker. If we must have a pipeline down the Mackenzie—and there will be some sacrifice involved so far as our ecology is concerned—it is the people of Canada who should benefit. We must put our reserves into this project. Even if it costs $2 billion or $3 billion to construct, within 20 years that would be paid off in the dividends it would yield to the people of this nation. This is something we cannot afford to overlook at this stage. That is the first point with which I wanted to deal.

I am opposed to a tanker route down the west coast of British Columbia. I realize we cannot stop the Americans from taking oil from Prudhoe Bay to Valdez and shipping it down the coast; and we must not forget that even if the oil were not transported in that manner, oil would sill reach the Cherry Point refinery. That refinery is already being built. The tragedy of it all is that it will be almost as dangerous to ship oil from California to the refinery as to ship oil from Alaska to it. However, the difference is that there would be 50 billion barrels less oil going down the west coast.

I endorse the position taken by several hon. members in the debate, that we have not done enough research on pipeline routes and that the government must be prepared to undertake immediate extensive research on all such routes. We must be assured of the best possible route for Canadian interests. Just a few years ago one of the most important debates that ever took place in this House concerned the Columbia River treaty. What happened in the case of the Columbia? We went to the bargaining table with the Americans thinking we had all kinds of cards in our hands. We thought we obtained a top-notch deal from the Americans. Now, looking at the effect of the treaty on Canada, we see it was one of the biggest "rides" we were taken for in our lifetime. We sold the whole of the water of an important riverway to the Americans for next to nothing.

Now we are going to the bargaining table with the Americans again—and we have even fewer cards in our

hand and less information than we had with respect to the Columbia River. Whose fault is that? It is the fault of those sitting opposite. For some 15 years we have been pushing economic development in the north, but only within the last two years have we become concerned about the effect of industrial development on the ecology of the north. After 15 years we still do not have land use regulations for the Northwest Territories and the Yukon. Ministers tell us what the government is doing. Mr. Speaker, who are they trying to bluff? They have kidded the Canadian nation long enough. Let us sit down and face the facts. We do not have enough information on all the problems we will encounter in the north.

Someone mentioned the Old Crow Flats region, where the natives are self-sufficient. If we stop the caribou migration into that area we will create a disaster for the inhabitants. I am told that the average individual in the Old Crow area can use up to 25 caribou per year, and in the rest of the region individuals can use about five caribou per year. Some 150,000 caribou take part in the migration. If pipeline construction halts the movement of caribou, all the people of the region will be adversely affected.

We have not had sufficient time to collect all the necessary information. This is why I urge the government to redouble its research efforts. The departments must be integrated far more than even before. If necessary, we must get information from other nations on the effect of pipelines and roads on migrating animals. If we do not, we may have another ecological disaster such as that being caused in the Mackenzie River delta by the construction of the Peace River dam.

There are many other points I wished to raise, Mr. Speaker, but I think we have had a good debate. We have aired our views. At least this debate has been a start. I trust that in the coming weeks and months hon. members will have other opportunities to discuss in detail some of the plans and projections put forward by the ministers who took part in the debate this afternoon.

The Acting Speaker (Mr. Richard): It being five o'clock p.m., pursuant to Standing Order 58 (11) the proceedings on this motion have expired.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would ask for the unanimous consent of the House in order to make an announcement.

The Acting Speaker (Mr. Richard): Is this agreed?

Some hon. Members: Agreed.

Mr. Chrétien: Mr. Speaker, I was informed a few minutes ago that arrangements are being discussed with regard to a visit to Ottawa within two weeks of the presidents of seven of the Alaskan north slope major producers who are to meet the Minister of Energy, Mines and Resources (Mr. Greene) and myself as a point of contact between the government and the industry, as established in the guidelines issued in August, 1970, by the government. We hope that this meeting will be held within two weeks, perhaps on the 22nd of the month.

* * *

BUSINESS OF THE HOUSE

Mr. McCutcheon: Mr. Speaker, before we conclude may I ask the government whip or the House Leader what the order of business will be on Monday?

Mr. Francis: Mr. Speaker, the order will be as stated by the President of the Privy Council on Thursday and recorded at page 4168 of *Hansard*. I believe the first item will be the packaging and labelling measure.

The Acting Speaker (Mr. Richard): Order. This House stands adjourned until Monday, March 15, 1971, at two o'clock p.m., pursuant to Standing Order 2 (1). The Chair has listened to many hon. members this week expressing strong determination to maintain our political and economic freedoms. I am tempted to suggest that we should enshrine these feelings in a formal pledge to Canada, to be recited at the opening of our daily sittings. I hope all hon. members enjoy their weekend.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 15, 1971

The House met at 2 p.m.

PRIVILEGE

MR. DINSDALE—GOVERNMENT POLICY RESPECTING BILINGUALISM IN PUBLIC SERVICE—OPPORTUNITY TO QUESTION PRESIDENT OF TREASURY BOARD

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I would like to raise a question of privilege affecting all members of the House of Commons. Last Friday the right hon. member for Prince Albert (Mr. Diefenbaker) questioned the President of the Treasury Board (Mr. Drury) concerning plans to assure that there would be no discrimination against public servants in the government's implementation of the program for bilingualism in the Public Service. This question arose from the recent statement by the President of the Treasury Board when he appeared before the Standing Committee on Miscellaneous Estimates and the case of Mr. Demicher who was arbitrarily released from his position with the Department of Industry, Trade and Commerce. In reply, the President of the Treasury Board invited the right hon. member to appear before the Standing Committee on Miscellaneous Estimates for an answer.

I raise this question, Mr. Speaker, because last Thursday I attended the meeting of the Standing Committee on Miscellaneous Estimates to discuss the implications of the government's statement with reference to promotion opportunities as they affect long service public servants, senior public servants and public servants living in unilingual areas of the country such as western Canada. The question was raised in committee of my right to pursue this line of questioning at length inasmuch as I was not a member of that committee. Furthermore, when the committee abruptly adjourned at 11 a.m. I was in the midst of my questioning and was informed that because of his many other responsibilities the minister would not be returning to the committee.

My question of privilege is the following, Mr. Speaker: Parliamentary committees are an extension of the committee on ways and means of the whole House. Prior to the downgrading of the rights and privileges of private members under the rule changes, when the examination of estimates was removed from the House, it was the responsibility of the minister to appear before Parliament to defend his estimates. Only ministers of the Crown can deal with policy matters, and it is a fundamental denial of the principle of responsibility when Members of Parliament are confronted in committee more and more by officials rather than by the responsible minister.

I therefore move:

That this matter be referred to the Standing Committee on Procedure and Organization to ensure that the traditional rights of members of the House of Commons in connection with the granting of supply be restored.

• (2:10 p.m.)

Mr. Speaker: The hon. member appreciates that the motion can be put only if there is a ruling from the Chair when there is established a prima facie case of privilege. He also knows that when there is a prima facie case of privilege the traditional practice is that the matters which have been raised by way of a question of privilege are referred not to the Standing Committee on Procedure and Organization, as suggested by the hon. member, but rather to the Standing Committee on Privileges and Elections, the committee that normally looks at matters of that kind.

The hon. member has raised by way of a question of privilege the fact that a minister was not in attendance in a committee of the House to answer questions which the hon. member wanted to submit to him. The hon. member suggested that the difficulty he has encountered is the result of the changes in the rules of the House of Commons. I respectfully suggest to him that this is hardly a matter which can be raised by way of a question of privilege.

The hon. member may feel aggrieved in the sense that he did not have an opportunity to obtain the information he was seeking, but I would then think that the matter becomes a question of substance, and the only way in which a debate may be initiated in the House is by way of a substantive motion. In fact, the motion suggested by the hon. member is essentially a substantive motion and in the circumstances it should not be raised as a question of privilege. I must rule that there being no prima facie case of privilege the motion cannot be put at this time.

ROUTINE PROCEEDINGS

GRAIN

TABLING OF STATEMENT ON PRAIRIE GRAIN RECEIPTS STABILIZATION PLAN

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, pursuant to Standing Order 41 (2) I wish to table a statement in both official languages on the Prairie grain receipts stabilization plan.

Questions

DIVORCE ACT

AMENDMENT TO REDUCE PERIOD OF SEPARATION OF SPOUSES AS GROUND FOR PETITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of my hon. friend from Greenwood and at his request, may I ask leave to introduce this bill and move its first reading?

Mr. Speaker: Has the hon. member leave to introduce the bill on behalf of the hon. member for Greenwood?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre) for Mr. Brewin, moved for leave to introduce Bill C-230, to amend the Divorce Act.

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, at present the Divorce Act accepts as a ground for petitioning for divorce a submission that there has been a permanent breakdown of the marriage by reason of the fact that the spouses have lived apart for not less than three years. The purpose of this bill in the name of my hon. friend from Greenwood is to reduce that period from three years to one year as recommended by the Royal Commission on the Status of Women.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

COLLECTIVE BARGAINING IN ARMED FORCES

Question No. 782—**Mr. McCleave:**

1. Has the Public Service Alliance proposed to the government that amendments be made to the Public Service Staff Relations Act which would permit collective bargaining in the Armed Forces and, if so, with what response?

2. Has any other group appearing to speak for organized labour made such a proposal and, if so, who and with what result?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. No.

2. No.

NEW TORONTO AIRPORT

Question No. 799—**Mr. Haidasz:**

Will the new airport for the Toronto and neighbouring areas contain facilities for handling (a) jumbo aircraft (b) supersonic aircraft?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): A decision has not been made as yet with regard to the site or potential role of a new airport to serve the Toronto-centred region. At this point in time, a system of airports is envisaged within which Malton would have an important on-going role. Facilities will be available within this airport system to accommodate jumbo type aircraft. These facilities would also be capable of handling supersonic aircraft if these aircraft should come into airline service.

CLASSIFICATION OF UNIFORMED CUSTOMS OFFICERS AT INTERNATIONAL PORTS OF ENTRY

Question No. 835—**Mr. Mather:**

Are uniformed Customs Officers at international ports of entry classified as clerical by Treasury Board and, if so, for what reason?

Hon. C. M. Drury (President of the Treasury Board): Yes, because the duties they perform have been identified as falling within the definition and inclusions of the clerical and regulatory group of the administrative support category. The particular inclusion in this instance covers positions in which the following is of primary importance:

"The application of regulations derived from statutes in accordance with established instructions and guidelines in order to determine eligibility for benefit or privileges, or liability for the payment of taxes or duties."

CNR—REPAINTING BOX CARS TO ILLUSTRATE CONTENTS

Question No. 847—**Mr. Mather:**

What, in dollars, was the cost in 1970 of repainting CNR box cars in line with the "new idea" to illustrate their contents?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows: Only four freight cars were involved in this promotional experiment and the cars selected were those requiring repainting. The work was carried out in the company's Point St. Charles Shop during the regular shopping program. The cost per car was approximately $500.

AIRCRAFT LANDING CHARGES

Question No. 848—**Mr. Reid:**

1. With reference to the answer to Question Number 728, in *Hansard* at page 2800, January 26, 1970, has the Department of Transport increased its charges for aircraft landing at DOT airports in Canada within the past three years and, if so, on what date and by how much, each time, in the form of terminal charges based on the number of seats in an aircraft?

2. On aircraft of the following type, DC-9, DC-8 and Boeing 737, what has been the effective increase in landing fees as a result of this new terminal charge in both percentages and in revenue for each type?

3. Does this new landing fee apply (a) to the number of passengers carried (b) to the number of seats in the aircraft (c) to the weight of the aircraft?

4. What has been the increase in revenue from this increased landing fee at Ottawa Airport, Winnipeg Airport and Vancouver Airport?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1 and 3. The general terminal charge

is applicable at six airports, Montreal, Toronto, Winnipeg, Edmonton, Calgary and Vancouver International Airports. The general terminal charge formula was revised on July 1, 1968. Prior to July 1, 1968 the formula comprised a scale of fixed fees. The fixed fees represented only one-half of the rate which had been indicated in an economic study made in 1960 when the general terminal charge was first implemented. With the advent of new types of aircraft and aircraft models the fixed fee formula became impracticable. Therefore on July 1, 1968 the formula was revised based on units of five seats assessed on the seating capacity of the aircraft, and thereby the full rate indicated by the economic study, referred to previously became applicable. The revised general terminal charge is $1 per unit of five seats on a domestic flight and $2 per unit of five seats on a non domestic flight.

2. The effective increase for the aircraft specified is as follows:

(a) Domestic Flights Type of Aircraft	Charge Prior to July 1, 1968	Charge Effective July 1, 1968	Increase $	Increase %
(I) DC9—Standard	8.50	13.00	4.50	53
(II) DC9—Stretched	8.50	18.00	9.50	112
(III) DC8—Standard	12.50	28.00	15.50	124
(IV) DC8—Stretched	12.50	40.00	27.50	220
(V) Boeing 737	8.50	18.00	9.50	112
(b) Non Domestic Flights Type of Aircraft	Charge Prior to July 1, 1968	Charge Effective July 1, 1968	Increase $	Increase %
(I) DC9—Standard	17.50	26.00	8.50	48
(II) DC9—Stretched	17.50	36.00	18.50	105
(III) DC8—Standard	25.00	56.00	31.00	124
(IV) DC8—Stretched	25.00	80.00	55.00	220
(V) Boeing 737	17.50	36.00	18.50	106

4. The statistical details are not available to calculate the additional revenue due to increased rates separately from the additional revenue due to increased traffic. The over-all increases in general terminal charge revenue are shown for the three year period April 1, 1967 to March 31, 1970 for two of the three specified airports. The general terminal charge does not apply at the Ottawa International Airport. (a) Vancouver International Airport: The general terminal charge was introduced following the completion of the new terminal building on September 10, 1968. 1968/69, $308,206; 1969/70, $768,892. (b) Winnipeg International Airport: 1967/68, $131,656; 1968/69, $272,732; 1969/70, $377,958.

CENSORSHIP OF BOOKS IMPORTED INTO CANADA

Question No. 853—**Mr. Hales:**

1. Who is responsible for censorship of books imported to Canada?

2. What procedures are employed in deciding whether or not a book or publication should be prohibited entry into Canada?

3. Who is involved in this decision-making?

4. What guidelines are used?

5. Is a list of unacceptable material maintained by the government, based on past rulings?

6. What is the approximate amount of money spent annually on this censorship activity?

Hon. Herb Gray (Minister of National Revenue): 1. The Department of National Revenue, Customs and Excise, has the responsibility for classification of books falling within the provisions of Tariff Item 99201-1.

2. The examining officer at the port of entry may permit entry or, if he is of the view the goods might reasonably be considered treasonable, seditious, immoral or indecent, they are forwarded to headquarters where they are examined. Should this view be confirmed and if they are deemed to fall within the Tariff Item, they are not permitted entry (under authority of Section 12 of the Customs Tariff). The examining officer then advises the importer of the decision, including his right of appeal to the Deputy Minister (under Subsection 4 of Section 43) for a reclassification of the goods. Should the appeal be denied, the importer can take a further appeal to the judge of the country or district court as provided by Section 46A of the Customs Act.

3. The first classification is made by the port officer and at headquarters the review is made by persons classified as senior executive officers. In the event of an appeal, see reply to Question 2.

4. A primary consideration is the wording of the Tariff Item itself. This is supplemented by internal guidelines which are based on the sense of community standards as reflected in court decisions made under the Customs Tariff Act and related sections of the Criminal Code.

5. The ordinary filing system is maintained for all items forwarded and reviewed at headquarters. No separate list of material prohibited under the Tariff Item is maintained.

6. This information is not available in departmental records as costs relating to the examination of specific goods are not isolated in field operations.

INFORMATION ON APPLICATIONS FOR EXPORT PERMITS

Question No. 862—**Mr. Saltsman:**

1. What persons are entitled to receive information on applications for exports permits?

2. Is access to such information restricted and, if so, for what reason?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Only those persons in the Public Service whose responsibility it is to assist in rendering a decision on applications for ex-

port permits are entitled to receive information on such applications for export permits.

2. Yes. The information required from an applicant for an export permit reveals the nature of the exporter's private business transactions. The Government has an obligation to maintain the confidentiality of this information so as to avoid injury to the commercial interest of the exporter.

QUEBEC—EMPLOYMENT OF ENGLISH SPEAKING PROVINCIAL AND CIVIC EMPLOYEES

Question No. 906—**Mr. Mather:**

In the expenditure of federal funds to promote bilingual communication in Canada, has the federal government sought and is it receiving co-operation from the Province of Quebec in providing an increased number of English speaking public service employees at the provincial and civic levels of government?

Hon. Gérard Pelletier (Secretary of State): There is no program designed specifically to help provinces in their recruitment of employees of either language. However, as part of a comprehensive approach to the development of bilingualism in Canada, the Federal Government proposes to help provinces which wish to expand their bilingualism programs. In answer to requests from provincial governments, financial and technical assistance would be available for language training programs for civil servants, as well as for the training of the required language teachers; a program would also be set up for the training of provincial translators.

AERIAL PHOTOGRAPHY AT SITE OF STE. SCHOLASTIQUE AIRPORT

Question No. 950—**Mr. Valade:**

Has the government obtained the services of companies specialized in aerial photography with respect to the site of the Ste-Scholastique Airport during the preliminary planning and since the final decision taken on this project and, if so (a) were public tenders called (b) what firms were invited to submit tenders (c) to what firm was the contract awarded (d) at what amount (e) is the work now underway or is it planned (f) what standards will be required of the firm in carrying out such operations?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): (a) No. (b) Aero Photo (1961) Inc.; Air Photo Laurentides; Canadian Aero Service; Terra Surveys Ltd.; Topographic Surveys Inc. (c) Air Photo Laurentides. (d) $81,761.40. (e) Work is completed. (f) The services were performed in accordance with specifications prepared by the Department.

TREASURY BOARD—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 958—**Mr. Robinson:**

What percentage of the supplementary estimates of the Treasury Board is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programmes (f) hiring of additional employees?

[Mr. Howard (Okanagan Boundary).]

Hon. C. M. Drury (President of the Treasury Board): (a) Nil. (b) About 70 percent of the $25,000,000 item, Treasury Board Vote 5(a), Government Contingencies in Supplementary Estimates (A) was to cover the costs of student summer employment in many departments during the summer of 1970. (c) Nil. (d) Nil. (e) All the $30,700 item for vote 11(a), was to meet the costs of the Advisory Committee on Parliamentary Salaries and Expenses. (f) Nil.

CONSTRUCTION OF BRIDGE OVER MACKENZIE RIVER

Question No. 966—**Mr. Lambert (Edmonton West):**

1. What consideration, if any, is being given to the construction in the foreseeable future, of a bridge over the Mackenzie River at/or near Fort Providence, N.W.T.?

2. Have any feasibility studies for such a project been made by engineers of the Department of Public Works or by any consultants on behalf of the Department of Public Works and, if so, what are the recommendations of such studies?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. The Economic feasibility of building a bridge over the Mackenzie River near Fort Providence, N.W.T. is presently under review. Further information and analysis is required.

2. An engineering consulting firm was retained in 1958 by the Department of Public Works on behalf of the Department of Indian Affairs and Northern Development to do a feasibility study of building a bridge across the Mackenzie River near Fort Providence. The study concluded that a bridge was feasible from an engineering point of view at that time.

1972 UNITED NATIONS CONFERENCE ON THE ENVIRONMENT

Question No. 982—**Mrs. MacInnis:**

What Canadian scientists, other than those working in government departments, are actively engaged in preparing material for Canada's participation in the 1972 United Nations Conference on the Environment to be held in Stockholm?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Countries participating in the United Nations Conference on the Human Environment (Stockholm, 1972) which is at the intergovernmental level, will submit material to the Conference in the form of National Reports outlining their principal environmental problems and the action being taken to deal with them. Scientists have not been asked individually for contributions to the National Report. Instead these have been sought through a group of non-governmental organizations chosen as offering a cross section of Canadian public opinion on this subject.

CANADA MANPOWER TRAINING PROGRAM

Question No. 985—**Mr. Orlikow:**

Of the people who have taken, or are taking, Manpower Training Courses in each of the past three years, what percentage were unemployed at the time they began their training courses?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1967-68, Information not available; 1968-69, 53.9 per cent; 1969-70, 51.4 per cent. Information about the 1970-71 fiscal year will not be available until approximately two months after the end of the fiscal year.

CANADIAN ARMED FORCES—CONDITIONS OF PROMOTION

Question No. 1,043—**Mr. Forrestall:**

Is every enlisted man promoted to corporal at the end of his first five year enlistment?

Hon. Donald S. Macdonald (Minister of National Defence): A man in the Canadian Forces who has completed his initial five year period of service would be promoted to corporal provided he: (a) meets the minimum medical classification for his trade; (b) has successfully completed Pay Level 5 qualifications; (c) is recommended for promotion by his Commanding Officer; (d) is available for posting action respecting normal employment in his trade; and (e) has been re-engaged for an indefinite period or re-engaged or re-enrolled for a fixed period that will extend total service beyond six years.

TRAVEL ALLOWANCES FOR MILITARY PERSONNEL

Question No. 1,044—**Mr. Forrestall:**

What are the travel allowances for military personnel (a) officers (b) enlisted men?

Hon. Donald S. Macdonald (Minister of National Defence): Details of travel allowances for officers and men in the Canadian Forces are contained in Chapter 209, Queen's Regulations and Orders, and Canadian Forces Administrative Orders.

CANADIAN ARMED FORCES—PAY STRUCTURE

Question No. 1,045—**Mr. Forrestall:**

What is the complete new pay structure in CAF field by field?

Hon. Donald S. Macdonald (Minister of National Defence): Details of the pay for officers and men of the Canadian Forces are contained in Chapter 204, of Queen's Regulations and Orders.

CANADIAN ARMED FORCES—MOVING ALLOWANCES

Question No. 1,046—**Mr. Forrestall:**

What is the scale of moving allowances for the Armed Forces (a) officers (b) enlisted men?

Hon. Donald S. Macdonald (Minister of National Defence): Details of the moving allowances for Canadian Forces' personnel are contained in Chapter 209, of Queen's Regulations and Orders, and Canadian Forces Administrative Orders.

CANADIAN ARMED FORCES—RELEASE OF SERVICEMEN AT EXPIRATION OF TERM OF SERVICE

Question No. 1,049—**Mr. Forrestall:**

Can a serviceman opt-out after a five year enlistment period?

Hon. Donald S. Macdonald (Minister of National Defence): Yes. The National Defence Act Article 31 (1) states "Except during an emergency or when he is on active service, an officer or man is entitled to be released at the expiration of the term of service for which he is enrolled or re-engaged".

CANADIAN ARMED FORCES—AFTER SERVICE TRAINING

Question No. 1,052—**Mr. Forrestall:**

1. Does CAF offer any after service-training to help servicemen who have been performing strictly military professions for many years?

2. Is there any education credits or training planned?

Hon. Donald S. Macdonald (Minister of National Defence): 1 and 2. Yes, the Civilian Employment Assistance Program which has been in operation in its present form since 1 January, 1968, was developed for this purpose. It is a joint program between the Department of National Defence and the Department of Manpower and Immigration. Entry to the program is voluntary during the last five years before retirement. Under the provisions of "The Adult Occupational Training Act" servicemen whose military skills and experience do not qualify them for satisfactory entry into the civilian labour force are provided with suitable occupational training. It is possible for the retiring serviceman to complete all arrangements during his final year of service so that his date of release coincides with the starting date of the chosen course. The responsibility for entering this type of training rests with the individual but the encouragement of the Civilian Employment Assistance Program is always available.

CANADIAN ARMED FORCES—UNIONS, CONDITIONS OF SERVICE

Question No. 1,053—**Mr. Forrestall:**

Are military tradesmen allowed to join outside craft unions?

Hon. Donald S. Macdonald (Minister of National Defence): A member of the Canadian Forces may, subject to the basic conditions that the employment must not be detrimental to the interests of the Canadian Forces, engage in any civil employment of his choice. It may be that such civil employment is conditional upon the joining of a particular craft union. In this case, the member is not precluded from joining such union.

CANADIAN ARMED FORCES—AVERAGE AGE

Question No. 1,054—**Mr. Forrestall:**

What is the average age and what is the number of (a) officers (i) captain (non naval) (ii) major (iii) lieutenant-colonel (b) enlisted men (i) corporal (ii) sergeant (iii) warrant officer?

Hon. Donald S. Macdonald (Minister of National Defence):

		Average (Mean) Age in years	Number
(a)	(i)	33.15	7099
	(ii)	40.08	2904
	(iii)	44.07	890
(b)	(i)	31.69	35742
	(ii)	38.26	10647
	(iii)	40.18	4799

Order for Return

CANADIAN ARMED FORCES—GRIEVANCE PROCEDURE

Question No. 1,057—**Mr. Forrestall:**

Are there any channels whereby a member of the Armed Forces can present or submit a grievance against his superior without going through his superior first?

Hon. Donald S. Macdonald (Minister of National Defence): Yes, the regulations provide that a member of the Canadian Forces may present a grievance to his Commanding Officer without first presenting it to his superior. If the superior against whom the complaint is made is the Commanding Officer, the complaint must first be made to him but if the latter does not forward the complaint to higher authority when requested to do so, it may be forwarded direct.

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QUESTION PASSED AS ORDER FOR RETURN

CANADIAN BROADCASTING CORPORATION—DEVELOPMENT OF PROGRAM PRODUCTION CAPABILITIES

Question No. 603—**Mr. Nowlan:**

1. What positive and concrete steps have been taken by CBC in each of the past five years to develop the program production capabilities of each of the regions other than Toronto and Montreal?

2. What percentage of Canadian produced programs shown on CBC English language television were produced in Toronto and Montreal, in each of the past five years?

3. What percentage of Canadian produced programs shown on CBC French language television were produced in Montreal, Toronto and in Quebec City, in each of the past five years?

Return tabled.

Mr. McIntosh: Mr. Speaker, I have had a question on the order paper since early January. I have asked about it before. It does not take very much research to get the answer. I am wondering when answers to some of the questions of urgent importance to members of the opposition can be given.

Mr. Jerome: Mr. Speaker, we are doing everything we can. During the month of February and most of March questions have been coming in at the rate of more than ten a day. Last Friday one hon. member put 32 questions on the order paper. It takes quite a number of people and a lot of work to keep up with the volume of questions coming in but, as I say, we are doing our best and we will follow up this question as well.

Mr. McIntosh: Mr. Speaker, I have one question only on the order paper this year and I cannot understand why I should be condemned because another member has put 30 questions on the order paper. Most of my question has been answered to the press. There is only one part of the question with regard to which the press did not have the information the day after. I do not see that it takes any research to give a yes or no answer.

[Mr. Macdonald (Rosedale).]

Mr. Korchinski: Mr. Speaker, I have a request I should like to lay before the House. My question No. 1020 has not been on the order paper for any length of time but the Minister of Manpower and Immigration has indicated that he plans to introduce legislation in regard to the subject matter of my question. As a matter of fact, the minister tabled in the House today a document pertaining to my question. Would the minister take note of the question and at least answer it at the time he introduces the legislation?

MOTION TO ADJOURN UNDER S.O. 26

MANPOWER

PROVISION OF EMPLOYMENT FOR STUDENTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, subject to your decision, I propose to ask leave to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. The matter concerns the recognized unemployment crisis facing the students who will be coming out of our universities, colleges and high schools during the months of April, May and June. It is urgent that this matter be debated at once by the House in order to assist the government in establishing appropriate emergency measures to meet the problem.

If you agree, Mr. Speaker, that this matter is proper to be discussed, I shall ask leave of the House to move that this House do adjourn.

Mr. Speaker: The hon. member for Oxford has given the Chair due notice of his intention to request leave of the House to propose a motion under the terms of Standing Order 26 in order to discuss the question of unemployment facing students who will be coming out of our high schools, colleges and universities in the months of April, May and June. As the Chair stated on March 3 last when the hon. member for Oxford put forward a proposal somewhat similar to the one he now advances, the question of employment for students coming into the labour market has been before the House in various forms on several occasions in the current session. It may be said that unemployment in its many forms has been debated at length and voted upon in the present session.

• (2:20 p.m.)

On March 3 the Chair referred particularly to a supply motion proposed by the hon. member for Lotbinière and the amendments proposed thereto by the hon. member for Vegreville and the hon. member for Yorkton-Melville which in substance dealt with the proposal put forward on March 3 and again today in the motion by the hon. member for Oxford. On that occasion the Chair also referred to the proceedings during the recent budget debate. It seems to me that the only additional element

raised in the proposal by the hon. member for Oxford lies in his suggestion of the inadequacy of the present situation. I am not too sure that this is a sufficient basis for the Chair to grant the motion.

I indicated to the hon. member and to the House when the motion was made on March 3 that the circumstances might be such later that the Chair would be inclined to grant the motion of the hon. member if it dealt specifically with student employment during the summer months. It seems to me that the proposition of the hon. member is somewhat larger in its terms in that it is concerned with the employment of all students coming into the labour market in the months of April, May and June. I am not suggesting that if the motion had been in more limited terms it would automatically or necessarily have been granted, but I do recognize that this is a matter of considerable urgency and the day may come when this kind of a motion should be granted.

I think hon. members would want me to take into account the undertaking by a minister on behalf of the government that a statement would be made at an early date. The hon. member may feel that the statement is not forthcoming soon enough, and perhaps the Chair might reach a point where it will agree with the hon. member for Oxford.

I suggest that at least for the time being the motion is perhaps somewhat premature. I apologize for making this suggestion to the hon. member, but again I am dealing strictly with student employment during the summer months, but I would think that in the circumstances I should not put the motion at this time.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

ALLEGED INCONSISTENCY OF GOVERNMENT ACTIONS RESPECTING DENISON MINES AND HOME OIL

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address my question to the Prime Minister. Will he tell the House why it is that, after advising the president of Denison Mines that he would be prohibited from selling the control of his company to United States interests in order to keep that company from falling into United States hands, the government is now willing to discuss with Home Oil Company the possible purchase by the government of a controlling interest in that company to keep it from falling into United States hands? Can he explain the reason for the apparent inconsistency in these two approaches toward solving essentially the same problem?

Mr. Speaker: Order, please. The Chair has some reservation about the question of the hon. member. Obviously the hon. member is asking a question which essentially is the basis of a possible debate. At the same time, the

question is important and perhaps the Prime Minister or the minister responsible should be allowed to reply briefly, overlooking the argumentative aspect of the question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, they were two ad hoc decisions. I do not see anything inconsistent in those two decisions. In the case of uranium the federal government had jurisdiction under the constitution to intervene directly. In the other case it did not have that authority, and the government adopted two different approaches to two different problems.

Mr. Hees: Mr. Speaker, does the Prime Minister not agree that it would be highly advisable for the governmet to work out a uniform approach to this problem instead of adopting ad hoc solutions which are often contradictory? If it is the opinion of the government that this is desirable, when may we expect such a policy to be announced and put into operation?

Mr. Trudeau: Of course it would be desirable to have a general policy announced, and we have told the House we will bring it forward as soon as possible. But even under a general policy there will have to be specific decisions made in respect of different cases. I think the House will have to accept that we will not deal with all cases in the same way.

Mr. Hees: As it is of vital importance to all Canadians that they know where the dividing line is as between companies which it is essential to keep in Canadian hands and companies which it is perfectly satisfactory to allow to fall into foreign hands, will the government announce its policy in the very near future so that Canadian industry will know where it stands in this important regard?

Mr. Trudeau: It seems to me, Mr. Speaker, that the member is repeating the same question in another form. He is suggesting we have a general policy, and I have answered that. There are elements of a general policy which exist now. The country knows that in some areas such as banking and financial institutions and mass communications institutions there is a policy which applies there. It is our intention to announce in what other areas the policy will eventually apply.

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PROVINCIAL AFFAIRS

SASKATCHEWAN—PETITIONS REQUESTING FEDERAL GOVERNMENT TO DISALLOW LAW RESPECTING REDISTRIBUTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact that on January 11 a group of Saskatchewan citizens petitioned His Excellency the Governor in Council asking that a Saskatchewan law with respect to redistribution in that province be disallowed and in view of the fact that this petition was acknowl-

edged three days later, can the Prime Minister say whether the government has given consideration to this request and whether an announcement about it will be made soon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government has not given consideration to it. I imagine the matter has been referred to the relevant department, probably the Department of Justice, but there has been no recommendation made to the government yet. I would say as a matter of general policy that we do not like to proceed by way of disallowance of provincial laws. However, I have just said and I repeat that we have not considered this special case in cabinet yet.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question, may I ask the Minister of Justice whether there is anything he can say on this matter? I addressed the original question to the Prime Minister because the acknowledgement was sent from the Clerk of the Privy Council.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I will be recommending against any action by the federal government to disallow the legislation.

Mr. John Burton (Regina East): Mr. Speaker, I should like to address a supplementary question to the Prime Minister. In view of the fact that the decision has not yet been taken on this matter, would the Prime Minister and the government also take into consideration a petition which I shall forward to the Prime Minister signed by 221 residents of the Wynyard district in Saskatchewan asking for the same action on the part of the government?

Mr. Trudeau: If the member will forward the petition to me I will of course study it, Mr. Speaker.

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[*Translation*]

FINANCE

RE-ESTABLISHMENT OF FIXED EXCHANGE RATE OF CANADIAN DOLLAR TO ASSIST PULP AND PAPER INDUSTRY

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Finance.

In view of the fact that the buoyancy of the Canadian dollar which is nearly at par with the U.S. currency will force Canadian pulp and paper producers to raise their prices by $8 per ton effective April 1, is the government considering a new fixed rate of exchange?

Mr. Speaker: It seems the hon. member has put the same question repeatedly in the course of these last few days. If the minister thinks he can add anything today, he might reply to the hon. member for Abitibi.

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have nothing to add to what I previously said.

[Mr. Knowles (Winnipeg North Centre).]

POLLUTION

PRINCE EDWARD ISLAND—CONTAMINATION OF BEACHES BY OIL FROM SUNKEN "IRVING WHALE"

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to either the Minister of Transport or the parliamentary secretary. It concerns the recent discovery of oil globules on the north shore of Prince Edward Island, doubtless from the sunken *Irving Whale*. Considering the assurances given last fall that no oil had reached Prince Edward Island beaches, can the minister advise whether his department will look into this serious matter immediately and take whatever precautionary steps are necessary to protect Prince Edward Island beaches and marine life from this putrid and unwelcome pollution? Are there no ecologists over there, Mr. Speaker?

Mr. Speaker: While the matter is being considered on the government side, the Chair will recognize the hon. member for Malpeque.

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SCIENCE SERVICES

ESTABLISHMENT OF MINISTRY OF STATE OR DEPARTMENT TO DIRECT AND CORRELATE GOVERNMENT ACTIVITIES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Prime Minister. Is it the intention of the government to set up a ministry of state or a department of government under some other name to direct and correlate the science activities of the government in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we did indicate in the Speech from the Throne that it would be our intention to set up such a ministry of state. Of course we are waiting on the pleasure of the House to pass the government organization bill before we will be in a position to do so.

Mr. MacLean: Is it correct to assume then that it is not the intention of the government to introduce special legislation to set up such a department, that it will be done under the government organization bill, if it is done?

Mr. Trudeau: That is right, Mr. Speaker. At this time we see no need for special legislation if we can have the consent of the House to pass the government organization bill which has been before the House for some time.

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NATIONAL DEFENCE

PROPOSED ESTABLISHMENT OF UNIONS IN CANADIAN ARMED FORCES

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Minister of Labour. It has to do with suggestions in the press to the effect that consideration is being given to permitting the establishment of

unions in the armed forces. To do so would create a most anomalous situation. The men in the armed forces would be subject to direction as to when they should or should not act, depending whether satisfied with their salary levels. Can the minister give the House and the country the assurance that the formation of unions in the armed forces will not be condoned or permitted?

Hon. Bryce Mackasey (Minister of Labour): I would imagine that if and when such an eventuality became reality it would be the responsibility of the President of the Treasury Board as well as to express the government's policy on this matter in the future since it would not under any circumstances come under the jurisdiction of the Minister of Labour.

Mr. Diefenbaker: May I ask the minister whether he or his departmental officials have been giving any study to this unusual suggestion?

Mr. Mackasey: I know it is unusual for armed forces to be unionized, with the exception of Sweden where they are organized, but I have not been giving any study to this possibility at all.

[*Later:*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question arises out of the questions asked by the right hon. member for Prince Albert, and I direct it to the Prime Minister. Has he yet replied to Mr. C. A. Edwards, president of the Public Service Alliance, with respect to his request that the full rights of collective bargaining be extended to the Canadian Armed Forces? If so, could he indicate the nature of his reply? Was it negative or positive?

Right Hon. P. E. Trudeau (Prime Minister): I have had some correspondence with Mr. Edwards indicating in a general way that the whole law of collective bargaining as regards the Public Service is being reviewed by the government, and that we will be looking at various aspects which have already been brought to our attention by Mr. Edwards and his association.

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HEALTH

BIRTH CONTROL—REQUEST FOR STATEMENT ON PROGRAM TO PREVENT UNWANTED PREGNANCIES

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister of National Health and Welfare. In view of information today that the number of schoolgirl pregnancies in Metropolitan Toronto far exceeds those for the entire country of Sweden, when will the minister make his promised statement on his program for birth control in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): I would advise the hon. member that I have not studied the particular figures for Toronto—perhaps the hon. member might consult her deputy leader in that regard—but I have already issued a statement concerning the department's program on family planning. We have indicated the areas where we are conducting research. We have also indicated that we are prepared to back those national organizations wishing to get under way a communications policy in this area. We have also indicated that there are cost-sharing possibilities under the Canada Assistance Plan. I do not know what further information the hon. member would like.

Mrs. MacInnis: A few days ago the minister promised he would make a statement to the House. It is that statement I am inquiring about. When will he make it?

Mr. Munro: I will check my undertaking in that regard, if I did so undertake.

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GRAIN

PRAIRIE GRAIN STABILIZATION PLAN—INCLUSION OF LIFT PROGRAM PAYMENTS IN FARM CASH RECEIPTS

Mr. J. H. Horner (Crowfoot): I should like to direct a question to the Minister of Manpower and Immigration who is also in charge of the Wheat Board with regard to his statement tabled today. Will he clarify an obvious question with regard to the eligibility of farm cash receipts? Would payments under Operation Lift be included as eligible cash receipts in determining the amount paid out to each producer?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, while I did indicate by tabling in the House today some further details about the government's position in regard to the proposed legislation, it will be most fruitful if technical details are examined at the time the legislation is before the House.

PRAIRIE GRAIN STABILIZATION PLAN—PURPOSE OF TRANSITIONAL PAYMENT—MAKING UP OF POOL DEFICITS

Right Hon. J. G. Diefenbaker (Prince Albert): Without going into a lot of details which might reveal the weakness of the plan, may I ask the minister whether the provision for the special payment of $100 million to Canadian Wheat Board permitholders in 1970-71 as a transitional payment will follow a removal from liability of the federal government for storage of wheat on farms, which last year amounted to more than $50 million? Also, will it be conditional on removing the present practice at the end of each crop year whereby, if there is a loss in the wheat pool, the government makes it up, which last year amounted to more than $50 million. Is this simply a pre-election declaration?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am glad that the right hon. gentleman recognizes that it is a good plan and therefore he thinks it may have something to do with us being favoured by the Prairie region. As the statement indicates, if the right hon. gentleman would read it in full, the total proposal is that the Temporary Wheat Reserves Act is terminated and

the transitional payment for the current crop year is proposed to be made in recognition of that termination also for the current crop year. However, the statement also clearly indicates that contrary to the proposal originally made in October it is now proposed that any payments which may be necessary to make up a deficit in a pool for one of the grains will not be recovered out of future pools.

Mr. Diefenbaker: Without going into detail, the fact remains that you will take $50 million or much more from the farmers in the manner as set out by the minister and at the same time say to them, "we will make you a gratuitous payment". Does this mean that the election is just around the corner?

PRAIRIE GRAIN STABILIZATION PLAN—PERCENTAGE OF SUPPORT—POSITION OF FARM ORGANIZATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, since the minister has reduced the support aspect of the program from 100 per cent of the total cash receipts as originally proposed to 90 per cent of the total cash receipts, or about halfway between his original proposal and the task force suggestion of 80 per cent, has he received the support of the farm organizations for this move and his 2 per cent deduction?

Hon. Otto E. Lang (Minister of Manpower and Immigration): We have had very full discussions with farm organizations, but the hon. member is misreading the plan. There will be 100 per cent stabilization on 90 per cent of the grain, excluding only a certain portion of grain in the hands of the largest farmers. Farm organizations have tended to support this approach to the use of federal money.

Mr. Gleave: I have to admit that our position is rather difficult since the minister did not choose to rise to his feet and explain this plan to the House. However, I would still like to elicit some information from him. Can he tell us when the $100 million payment to which he has referred will be made? He has said something about its basis. Can he tell us when this payment will be made during the current crop year?

Mr. Lang: It is anticipated that it will be made as soon as administratively possibly after passage of the legislation, which I hope will come fairly quickly.

PRAIRIE GRAIN STABILIZATION PLAN—EXPENDITURES COMPARED WITH SAVINGS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in light of the government's proposal to withdraw the Temporary Wheat Reserves Act and to cease picking up losses in pools, can the minister advise the House if he has added up the savings to the government and contrasted that figure with what the proposed expenditures will be? Can he tell the House whether there will be a net expenditure by the government on this program or a net saving?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this year's expenditures without a doubt will be very remarkably increased over what it would have been without these proposals. In addition, if the total program as announced in October, with the variations indicated today, had been in effect for the period of years that the Temporary Wheat Reserves Act has been in operation, the total assistance to farmers would have been greater than it was under existing programs.

Mr. Speaker: Order, please. There are a number of hon. members rising to ask supplementaries. I will recognize the hon. member for Mackenzie, then the hon. member for Yorkton-Melville, and after that the very patient hon. member for Bellechasse.

Mr. S. J. Korchinski (Mackenzie): Can the minister say whether or not the $100 million he suggests here is related to anything in particular or is it just an arbitrary figure?

Mr. Lang: The amount originally was related to some estimates and calculations in regard to the payments which would have been made if the stabilization program had been in effect for this year. However, there might have emerged some difficulties in arriving at exact calculations for this year if that basis had been retained, so instead we propose to put an exact figure into the legislation.

Mr. Speaker: The hon. member for Yorkton-Melville.

Mr. Nystrom: My question is not supplementary, Mr. Speaker.

* * *

[*Translation*]

UNITED NATIONS

CANADIAN AID TO DEVELOPING COUNTRIES—INCREASED USE OF MILK PRODUCTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put to the Parliamentary Secretary to Secretary of State for External Affairs a question of which I have given him notice. Canadian assistance to underdeveloped countries, through the United Nations, reached $35 million last year. This assistance was made up of a certain quantity of agricultural products. Would it be possible to know whether dairy products were included, since there is a very large quantity of such products in Canada and, if so, would it be possible for next year to increase this proportion of dairy products?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having given me notice of his question. I am thus able to tell him that, from the very implementation of the United Nations' world food program, Canada has committed itself to contribute $50 million. Dairy products, and particularly cheese and powdered skimmed milk, have cost $13.5 million, which stands for a little more than 28 per cent of the entire

Canadian contribution. Over the next years, Canada will certainly keep on providing with dairy products countries which will ask for them.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Considering the largesse which marks every utterance of the Secretary of State for External Affairs, will the Prime Minister give consideration to sending that hon. gentleman on an extended speaking tour of Atlantic Canada?

* * *

FISHERIES

PREVENTION OF FISHING BY FOREIGN SHIPS WITHIN 12-MILE LIMIT—PROTEST BY FRANCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Secretary of State for External Affairs and in view of the importance of this question I direct it to the Prime Minister. Has Canada received a protest, official or otherwise, from the government of France in regard to our declaration of a 12-mile limit off the south and west coasts of Newfoundland and, if so, can the Prime Minister assure the House that French fishing trawlers will not be given rights that are denied to Canadian trawlers in these waters?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, if I may be allowed, I would like to say in reply to the question of the hon. member that Canada has received no official protest.

However, I would like to remind the hon. member that there has existed for a very long time a treaty with France concerning the right of French fishermen in a section of the territory concerned and that a three-month notice had to be served to French authorities. When the three-month period has expired, French trawlers will have to abide by the same rules as other trawlers.

[*English*]

Mr. McGrath: In view of the answer by the parliamentary secretary, may I ask what protest the Minister of Fisheries was referring to in reply to my question on Friday, as recorded at page 4210 of *Hansard,* when he said the government had received a protest from the government of France and he did not have time to finish the answer because of the Chair?

[*Translation*]

Mr. Ouellet: Mr. Speaker, the minister will soon be in the House and he could probably answer the hon. member's question himself.

Inquiries of the Ministry

[*English*]

SUGGESTED OFFER TO FRANCE TO BUY ISLANDS OF ST. PIERRE AND MIQUELON TO REMOVE PROBLEMS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my supplementary question is directed to the Prime Minister. Is the government considering making an offer to purchase the islands of St. Pierre and Miquelon from France to help clear up our fisheries problems? At the same time, would the government offer to set off the $10 million owing for Canada's NATO infrastructure which was lost because of our withdrawal from Marville and Metz?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no knowledge that the islands may be for sale, but I will inquire and if they are we will make an offer.

* * *

DRUGS

PROGRAM TO COMBAT ABUSE—REQUEST THAT DEPARTMENTAL OFFICIALS OUTLINE DETAILS TO COMMITTEE

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Would he take the course, before it may be urged on him, to arrange to have officials of his department make a thorough, detailed presentation to the committee studying his estimates with respect to the program, including pamphlets and the like, which his department is conducting about drug abuse?

Hon. John C. Munro (Minister of National Health and Welfare): I will be pleased to take that matter into consideration, Mr. Speaker.

Mr. Howard (Skeena): Would the minister also consider the possibility of arranging for an analysis of this program by those who have gone through the drug world and know what it is all about?

* * *

NATIONAL MUSEUMS

INQUIRY AS TO REPORT ON INVESTIGATION

Mr. Cliff Downey (Battle River): Mr. Speaker, I wish to direct a question to the Secretary of State as the minister responsible to Parliament for the National Museums of Canada. On December 7, 1970, in reply to a question of mine, the minister stated that an inquiry was being conducted into the administration of the museums branch. Would the minister say whether that inquiry has been completed, and has he received a report of the findings of that inquiry?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, as the hon. member's question is already a few months old, I would have to look it up in order to know with what specific point he was dealing.

Inquiries of the Ministry

[*English*]

CANADIAN GRAIN COMMISSION

QUALIFICATIONS OF NEW CHIEF COMMISSIONER—CORRESPONDENCE WITH FORMER CHIEF

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Agriculture. Is Mr. Delmer Pound, recently appointed Chief Commissionner of the Canadian Grain Commission, a past president of the Medicine Hat Liberal Association, and is this the main criterion which determined the change in chairmanship?

Mr. Speaker: Order, please. I have serious doubts about the way the question is put. I am sure the hon. member appreciates that.

Mr. Dinsdale: Mr. Speaker, because the Canadian Grain Commission is a very important agency in respect of the well-being of the grain trade in western Canada, perhaps I can put the question in such a way that the minister can assure hon. members that the best qualified man has received the appointment. In his search for a replacement for Mr. Hamilton, who was fired by the minister, did the minister consider the wider experience of Manitoba's representative on the Canadian Grain Commission, Mr. Lyn Shuttleworth, both as a farmer and as a Liberal politician?

Mr. Speaker: Order, please. I was just going to suggest that might be a new question rather than a supplementary. The hon. member for Swift Current-Maple Creek.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, in view of the fact that the main purpose of the Canadian Grain Commission is to police the grain trade and in view of the vital importance of the commission to the producers as well as to the industry as a whole, will the Minister of Agriculture, as he promised the other day, table the correspondence between himself and Mr. Hamilton, the ex-chairman of the Board of Grain Commissioners, so that members of the House of Commons can determine whether or not this action was in the interests of the minister politically or those of the industry as a whole?

Some hon. Members: Hear, hear!

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I advised the right hon. member for Prince Albert that I would table the reply to a letter from Mr. Hamilton if Mr. Hamilton agreed that it ought to be tabled in the House. In so far as the other part of the question is concerned, I invite hon. members opposite to examine the qualifications of all the members of the Canadian Grain Commission. They will find that they are eminently qualified to do that job.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. Does the minister not think that it would be simpler to admit that this was a straight case of Liberal patronage?

Some hon. Members: Oh, oh!

[Mr. Pelletier.]

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Hees: Make it simple. We all know what it is.

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REGIONAL ECONOMIC EXPANSION

NORTH BATTLEFORD—INCLUSION IN INCENTIVES PROGRAM—GRANT TO EXPAND RAPESEED CRUSHING FACILITIES

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, may I address a question to the Minister of Regional Economic Expansion. In view of a statement by the Saskatchewan Wheat Pool that a $3 million expansion in rapeseed crushing facilities will depend on a federal incentive grant, will the minister extend the regional incentives program to the community of North Battleford so that this city may bid for this plant?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have not heard anything about this request, but I shall inquire and inform the House of my findings.

* * *

INDUSTRY

YAMASKA SHIRT COMPANY—ACTION TO AVOID CLOSURE AND LAY-OFF OF EMPLOYEES

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, I will address my question to the Prime Minister.

In view of a telegram addressed last week to the Minister of Industry, Trade and Commerce by the President of Yamaska Shirt, announcing possible closing down of their Saint-Hyacinthe plant, is any immediate action being considered to prevent discharge of 200 employees as a result of such closing down?

Right Hon. P. E. Trudeau (Prime Minister): I have received no communication from the minister in this regard, Mr. Speaker. However, I am sure this matter will receive the same consideration he gives all others brought to his attention.

* * *

[*English*]

THE ROYAL FAMILY

SUGGESTED APPOINTMENT OF PRINCE OF WALES AS NEXT GOVERNOR GENERAL OF CANADA

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the forthcoming vacancy in the office of Queen's representative in Canada, will the government give serious consideration to naming a member of the Royal Family, preferably the Prince of Wales who is an inspiration to young people everywhere?

LABOUR RELATIONS

DISPUTE BETWEEN HUDSON BAY MINING AND SMELTING COMPANY AND EMPLOYEES—PROVISION OF MEDIATOR

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Labour related to the work stoppage at Flin Flon, Manitoba, which is approaching two months. I understand that a mediator has been appointed to visit the area and discuss the matter with both parties. Can the minister say whether either or both parties have indicated that they will accept the mediator and co-operate in this regard?

Hon. Bryce Mackasey (Minister of Labour): Yes, Mr. Speaker. The suggestion that a federal mediator be sent to the area was accepted readily by both sides, and I believe the mediator will hold his initial meeting on March 22.

* * *

YOUTH

EMPLOYMENT OF STUDENTS IN ANTI-POLLUTION CAMPAIGN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Secretary of State. In view of the statement by the Acting Prime Minister on March 3 that the government plans to mobilize students for a pollution clean-up campaign, can the minister now say whether the details of this plan have been worked out?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I believe there will be a statement tomorrow about the whole program, including this aspect.

[*English*]

Mr. Nystrom: In view of the over-all high level of unemployment in Canada, can the minister indicate whether the government is now planning for student-oriented jobs so that students will not be in direct competition with regular workers for these positions?

[*Translation*]

Mr. Pelletier: Yes, Mr. Speaker, we have taken that aspect into consideration when developing a program of summer employment for students.

* * *

OIL

SUGGESTED CONSTRUCTION OF PIPELINE FROM WESTERN TO EASTERN CANADA

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Prime Minister.

In view of the tax just imposed by Venezuela on crude oil, and of the fact that Canadian imports of crude oil from this country amount to more than 60 per cent of our imports, especially in the eastern part of Quebec and of Canada, is the Canadian government considering listening more closely to those who call for the construction of

a pipeline to move oil from the Canadian West to eastern Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister already had the chance to comment on this matter, but the hon. member is aware that oil from western Canada sells at a much higher price than oil from Venezuela, and it is not sure that the people of Quebec would benefit.

* * *

[*English*]

HEALTH

PRESENCE OF CANCER CAUSING SUBSTANCE, DEMETHYL-NITROSAMINE, IN FOOD

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Last Thursday, in his absence from the House, I asked the Acting Prime Minister to bring my question to his attention so that he might make a statement on motions in the House. I asked whether, in view of the recent revelation that the cancer causing substance, demethyl-nitrosamine, has been found in food products, the Acting Prime Minister would convey to the Minister of National Health and Welfare the great concern of the public over this matter. I also suggested to him that the minister might make a statement on Monday. This is a matter of great concern. A tremendous number of people are anxious about this problem. They do not know what is happening. I think the government owes it to the House to say what the present situation is with regard to this material.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will endeavour to make a statement on this matter this week. I have it ready and I will endeavour to make it.

EXTENT OF PROPOSED RESTRICTIONS ON CIGARETTE ADVERTISING

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of National Health and Welfare. Will restrictions on the advertising of tobacco apply only to the electronic media such as radio and television?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the government's position in this whole area will be made known very shortly, including this aspect of it.

* * *

AGRICULTURE

FARM PRODUCTS MARKETING BILL—SUGGESTED CHANGES TO MEET REQUESTS OF WESTERN CANADA

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct a question to the Prime Minister. Recently changes were made in the proposed new Unemployment Insurance Act to meet the requests of the province of Quebec. Is the Prime Minister now prepared to allow the agricultural bill, C-176, to be changed so as to meet the requests of western Canada.

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure what requests the hon. member has in mind. If they are reasonable requests and not only those of the hon. member, I am sure we will consider them in detail.

Mr. Horner: In his campaign speech on June 2, 1968, the Prime Minister enunciated agricultural policy in Winnipeg. Since that time all western Canada has sincerely requested that hogs and cattle be deleted from the bill. I would hope that the Prime Minister, having initiated this program, would take into consideration the very strong regional requests in this regard.

* * *

PUBLIC SERVICE

ALLEGED DISCRIMINATION AGAINST JULES DEMICHER—NATURE OF INVESTIGATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Labour. Is the department's fair employment practices section inquiring into the dismissal of Mr. Demicher from the Department of Industry, Trade and Commerce? If so, is the fact that government employees are not covered by the provisions of the Canada Fair Employment Practices Act hindering the fullest inquiry, conciliation and settlement of the claim of unfair treatment by Mr. Demicher?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, a complaint has been lodged under the fair employment practices provisions by an individual. It is not the practice to name that person because we are interested primarily in seeing that justice is done and I do not think it would be consistent with that policy to name everybody who complains. There definitely is co-operation on the part of the Public Service and all my colleagues, as has been obvious for almost ten months. Even though the fair employment practices provisions do not normally apply to the Public Service, when and if complaints are lodged the criteria included in the fair employment practices Act are accepted voluntarily by the Public Service. In this instance a meeting has been scheduled for Wednesday to discuss ways and means of handling this delicate situation with a representative of the allegedly aggrieved person and a representative of the Public Service Commission.

* * *

GRAIN

OUTLOOK FOR SALES IN CURRENT CROP YEAR

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. In view of the report put out by the Department of Agriculture regarding the outlook for grain sales in which it is indicated that only about 400 million bushels of wheat will be sold in the current crop year, is the minister as confident as he was six months ago that some 700 million bushels of grain will be sold in the current crop year, of which 500 million will be wheat?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, if the hon. member will research the basis of the earlier statement he will see that it was indicated the range of wheat sales might be in the order of 400 million to 550 million bushels. That still seems to be a reasonable assumption. At this moment, total grain exports are running well enough ahead of last year's level that the 700 million bushel target can still be attained. It is still a distinct possibility.

Mr. Korchinski: Is the agreement between Canada and the Soviet Union still in existence or is this a lost cause? Is Russia likely to pick up the grain it is supposed to pick up?

Mr. Lang: The agreement, of course, is still in existence. Not very long ago Russia placed an order for flour under that agreement which continues the rate of flour exports at a very high level.

BARLEY—EFFECT OF INCREASED PRICE ON DELIVERIES

Mr. J. H. Horner (Crowfoot): I have a supplementary question with regard to grain sales for the minister responsible for the Canadian Wheat Board. Can the minister inform the House whether the additional 10 cents per bushel for barley is bringing in the required amount of barley or are we still turning down sales requests?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The flow of barley is stepping up. We hope it will continue to increase. There is space available in some provinces where there are also significant barley quotas available. We are therefore urging the farmers to deliver the grain because the Wheat Board would like to see the flow of barley established before it makes additional sales.

Mr. John L. Skoberg (Moose Jaw): In view of the apparent urgency to move barley to the west coast to have it in export position, and in view of the fact there are a large number of producers with large amounts of barley on hand and no delivery dates, can the minister state whether consideration is being given to providing a special delivery quota for that barley?

Mr. Lang: Generally speaking, Mr. Speaker, the assigned acre base will remain the basis for delivery eligibility. There are cases where the producer has a legitimate explanation for not having included any barley in his assignment of acres. The Wheat Board takes those cases under consideration in a special way.

Mr. Horner: A supplementary question—

Mr. Speaker: Order, please. The question period has already expired. Perhaps the Chair might be allowed to recognize the hon. member for Surrey-White Rock who has been attempting to ask a question for 40 minutes.

EXTERNAL AFFAIRS

PROPOSED AMCHITKA UNDERGROUND NUCLEAR TESTS—REPRESENTATIONS TO UNITED STATES GOVERNMENT

Mr. Barry Mather (Surrey-White Rock): I have a question for the Secretary of State for External Affairs. In his absence I will direct it to his parliamentary secretary. Having in mind the major earthquake shock in the Pacific waters north of Vancouver Island this past weekend and also the major earthquake a few weeks ago in Los Angeles, will the government make clear to the United States Canada's concern over the pending underground nuclear test in the north Pacific, an earthquake prone zone?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Canadian government is much concerned about this matter and protested last February 22 to the American authorities.

[*English*]

GOVERNMENT ORDERS

INCOME TAX ACT

Hon. E. J. Benson (Minister of Finance) moved that Bill C-225, to amend the Income Tax Act and to amend an act to amend that act, be read the third time and do pass.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, the government's refusal to remove the 3 per cent surtax on incomes which, as we all know, was originally proposed for one year and extended with no justification whatsoever, is further evidence of the government's determination to continue to try to combat unemployment by the public works method, which will not work, instead of by the only practical and effective method. I refer to a reduction of income taxes, thereby putting more money in the pockets of the Canadian people which will enable them to spend more on the things they need. This, in turn, will stimulate sales and result in increased production and increased jobs.

The government's plan to fight unemployment by the public works method will not work for two reasons. First, the capital outlay required to create a single job is too costly for the Canadian taxpayer to bear if a sufficient number of jobs is to be created. Second, when the public works in question have been completed, the people employed on them will again be unemployed. We will be right back where we started.

I rise at this time to plead with the government to reconsider their policies and to realize that the only effective way to fight unemployment, the number one problem facing the country today, is to create conditions within the economy which will stimulate sales, increase production and jobs. The way to do that is to lower income taxes.

Even at this late date the government should cancel the three per cent surtax on incomes which, as I said previously, was originally proposed for one year and extended without justification. When the Minister of Finance (Mr. Benson) introduces his budget later this spring, he could follow that constructive suggestion by introducing a six per cent reduction in personal income tax. In this way, sales would be generated through people having more money to spend. This would result in increased production and increased jobs. The government has a great opportunity to solve this number one problem facing the country today in a constructive, simple and straight-forward manner. I strongly urge the government, even at this late date, to take this opportunity to show its intention to fight unemployment in the only effective way, by reducing income taxes.

Mr. John Burton (Regina East): Mr. Speaker, Bill C-225 received extensive consideration at the second reading stage as well as in committee of the whole. I think the performance of the government has been very disappointing. We have not received the explanations and comments to which the House is entitled when considering a bill as important as this one. This bill provides for two changes in income tax legislation. The first is the provision of more generous tax allowances for business and industry.

When the Minister of Finance (Mr. Benson) presented his budget on December 3 last, he proposed part of his plan to stimulate economic growth and create more jobs. We have not seen one iota of evidence from the government that this proposal, when enacted, will produce that result. In spite of questions asked and cogent observations made from a number of quarters, the government has not yet come forward with any evidence to suggest that their dream will become a reality.

On two occasions I drew to the attention of the Minister of Finance and his parliamentary secretary an article which appeared in the December 12 edition of the *Financial Post*. The article pointed out that the response of industry and business to this proposal was very cool and that it really was not going to affect their plans. The articles also suggested that this provision would not stimulate more economic growth or greater economic activity. In fact, it pointed out that the only beneficiaries of this proposal would be those industries and businesses which, prior to December 3 last, had already decided to undertake an expansion program during the lifetime of this proposal namely from December 3, 1970 to March 31, 1972. By the time most industries are able to take advantage of the provisions of this section, the time will have run out. In fact, most industries which might wish to take advantage of this clause would not be able to do so on the basis of information as it has been made known to us. I asked the government whether it had any further information to suggest that this was not the case. No answer was forthcoming from the Treasury benches. On this basis, I think the bill is a fanning in the dark, an attempt to find solutions to problems with which the government has been unable to cope.

• (3:10 p.m.)

Similarly, in the case of the 3 per cent surtax, there has been a very chameleon-like approach on the part of the government. Two years ago the Minister of Finance (Mr. Benson) made it clear that the surtax was being extended not because the government needed the revenue but for the purpose of economic stabilization, to restrain the economy. When the proposal was first introduced in the House in 1968, the prime minister of the day also made it clear that the measure was being put forward for the purpose of economic restraint. Now, the Minister of Finance tells us in his budget statement that he has put forward this proposal to extend the surtax in 1971 because the government needs the cash. He seems able to find a reason to suit every occasion, and the people who suffer are the Canadian people.

In my view this proposal will not produce one new job for the 668,000 who were out of work in January or for the 750,000 who, as statistics will probably show, are out of employment this month. It will not contribute one iota to the alleviation of the serious economic difficulties which face the country at the present time. The government has such a record of abject failure in its economic policies that I feel it will be found wanting by the Canadian people when the time comes. I wish to make it clear that we certainly oppose this bill on third reading, as we did at the other stages when it was under consideration.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am really amazed to find that the Minister of Finance (Mr. Benson) persists in wanting the House to pass Bill C-225 in spite of the sound remarks made by members of the opposition and although this tax that had been levied temporarily should have been definitely removed. Yet, the government is still getting the taxpayers' money and still calling it a temporary tax, but it will become permanent automatically if it is renewed every year.

Members of the Opposition are not the only ones to oppose this 3 per cent tax; some well informed businessmen and politicians across the country have also made representations to the government and stated that this tax which will bring in $245 million will be a direct cause of increased unemployment. Notwithstanding the budget speech made by the Minister of Finance last December 3, one can note that his forecasts did not prove true. This is what he said on that occasion:

> Of prime importance is the fact that employment is rising in Canada and unemployment on a seasonally adjusted basis appears to be falling. This underlying improvement is suggested in the statistics for September and October after allowing for normal seasonal patterns. There may yet be month-to-month fluctuations from the trend.

From month to month, the unemployment rate has been increasing and the number of jobs has been falling. Later, the minister said, and I quote:

> There is no question, however, that the rate of growth of employment must improve and that unemployment must be reduced if the economy is best to serve our overriding objective of the highest sustainable improvement in the standard of living of all Canadians.

[Mr. Burton.]

Last year, the same government, asked us to pass an act to extend that 3 per cent tax pretexting the fight against inflation. The Minister of Finance said, on December 3, and I quote:

> Both inflation of prices and high unemployment are our enemies—

I agree with what he said, but not with the means used to fight against those two enemies.

At the end of 1970, the Prime Minister (Mr. Trudeau) said that the fight against inflation was over, that the monster had been brought to heel and that now we must come to grips with the problems of poverty and unemployment.

These are the direct consequences of too heavy taxes. They contribute to discourage businessmen, to increase the rate of unemployment, because of the direct effect on the consumer who cannot enjoy an adequate purchasing power to ensure the subsistence of his wife and children, to provide for his needs. When millions are misappropriated, the turnover of industries decreases, because they sell smaller quantities of products, and automatically, repeat orders become rarer, culminating in the lay-off of employees.

• (3:20 p.m.)

That situation is getting worse all the time. That is why during the fall of 1970, the premier of Alberta accused the federal government of hindering the development of the economy of his province. The relevant report follows:

> Mr. Strom points out that unemployment which has reached its highest level in 25 years, keeps on increasing in an alarming way.
>
> The federal government's haphazard and undiscriminated fiight against inflation did not place the retired people or others in better circumstances. The only thing it did was to drive hundreds of thousands of Canadians on the verge of catastrophe.

Considering the statistics on bankruptcies, which increase more and more, I believe the premier of Alberta was perfectly right when he said the direct consequences of that policy was catastrophe for a great number of Canadian businessmen.

I come back to the quotation:

> He said that Ottawa should create new employment opportunities, encourage businessmen and establish a general climate which would stimulate expansion.
>
> For the government, to look after economic development is to designate poor areas, developed areas and rich areas, and then inject money into the first, forget the second and penalize the rich areas.
>
> The penalty against the rich areas consist in postponing allowances granted for capital expenses.

After examining the results of such a policy as regards the individual, Mr. Strom is reported as having said:

> Mr. Strom declares that his government does not approve the federal policy on regional assistance, since it is based on statistics and not on real individual poverty.
>
> Individuals suffer from poverty or unemployment, not areas.

Certainly the individuals are the more deeply and bitterly affected. It is enough to get in touch with the people in charge of all the welfare centres in the country

to find out how numerous are those who apply to those centres.

This weekend, as I was meeting in my office some of my constituents, nine individuals out of ten came to ask their representative to help them solve difficulties created by the new welfare legislation in Quebec under which inquiries and visits are being multiplied. Indeed, after having compared figures, it is obvious that the purchasing power of families in need is in no way increased. Instead, after one or two months, they get a letter informing them that their benefits henceforth will be reduced by 10, 15 or 20 per cent.

If you go and visit these families and take the trouble to check the situation, you can see that the time has not come for the government to ask the taxpayers for more money through taxes such as the 3 per cent tax. It should instead let the people keep this 3 per cent and use it as purchasing power, which would increase employment opportunities.

I believe that we are working against the grain and it is high time that the necessary measures be taken to correct a situation lending itself to correction for, otherwise, complete anarchy might prevail. We sometimes hear peace-loving people utter things that would never have been heard 10 years ago and make our hair stand on end.

We, the members of the Canadian Parliament, ought to take such hardship seriously. I am quite displeased when I see usually responsible people paying so little attention to those problems and considering the needy as somewhat limited people who have to put up with their fate.

Mr. Speaker, the Fifth Review of the Economic Council of Canada in 1968 outlined that the number of needy people was increasing and I am sure that a new report to the government on the subject in 1971 would stress that the situation has deteriorated. Still, Canada has not been so poorly endowed. I have here a statement that appeared in the newspaper *Le Soleil* on January 16, 1971 and according to which:

Canada ranks third in per capita gross national product.

This means that despite the work performed by men and machines in greater numbers, our gross national product places Canada third in the world for national output.

Now, what is the purpose of national production? Is it only a matter of displaying goods in store windows, of advertising them in newspapers as it is regularly done in the Wednesday issue of *La Presse* which has something like 40 pages of all sorts of advertisements paid by the larger Montreal stores which are asking their customers to avail themselves of whatever special sales or discounts they are offering?

Countless efforts are made to attract consumers. The time has come to give our country whatever facilities others are enjoying in the way of providing the taxpayers with public services without fleecing them.

During the weekend, I was talking to the mayor of a large municipality in the vicinity of Quebec City. He expressed dejection in the face of the requirement to increase property taxes to meet outstanding or future liabilities while they extend to foreign countries advantages that are not available in Canada.

We learned this morning that the Secretary of State for External Affairs (Mr. Sharp) had just signed an agreement with three African nations to grant a $14 million interest free loan repayable over 50 years and earmarked to acquire locomotives.

I am not asking for a miracle but simply that the government—if they deem it useful to make 50 year interest free loans to foreign countries—should consider the adequacy of extending such loans to municipal governments in Canada and particularly in the province of Quebec. I suggest the government makes an experiment. They could do it in my constituency, I would not mind it at all. If the Minister of Finance were to extend a $15 million loan to the town of Montmagny and to the municipalities of Saint-Damien and Sainte-Germaine—these are all developing municipalites—I am quite certain that the whole region would experience some progress. Why? Because public bodies will be in a position to undertake works without having to strangle the taxpayers. This is why I object to Bill C-225; I did so on second reading and I do it again on third reading, because I feel that it is my duty to say to the government that it is liable to aggravate conditions instead of improving them.

• (3:30 p.m.)

If we really wanted to act for the common good and in the interests of all Canadians, we would take other steps to obtain the necessary funds for the administration of public business.

I think that it is time to pay more attention to what is going on throughout the world, in our country and more especially in our province. I was present yesterday afternoon at the establishment of a local section of the Quebec Junior Board of Trade and was pleasantly surprised to see young people of 20 to 35 years of age who work with, sustained interest, absolute confidence in Canada, in the province of Quebec, deplore the fact they are unable to find the instruments required for the development of natural resources which would allow them to do business and succeed through their work.

I encouraged them to do their utmost to convince the authorities to do something while there is still time. I explained to them how to protest, not through revolutionary means with sticks or dynamite, but in a sensible manner by getting seriously interested and informing their members of Parliament and their governments of their findings.

That is how I understand the function of intermediary bodies, as well as that of the people's representatives in this House towards such bodies, because without the co-operation of the intermediary bodies and the public, the government will not be able to make it, as no government can work miracles.

It is for this reason that, whenever possible, the people must be informed and the people must be made to believe in the goodwill of Parliament. The people must

be listened to and their suggestions must be taken into account so that they will know that, if something must be done, it will be done with their help, and in this way everyone will benefit.

In conclusion, if the rules allow it, I shall move an amendment to the bill on third reading, as a logical conclusion to my argument. I move, seconded by the hon. member for Portneuf (Mr. Godin), the following amendment:

That the main motion be amended by striking out the word "now" and replacing it with the words "in six months from this day" at the end of the question.

[*English*]

Mr. Cliff Downey (Battle River): Mr. Speaker, the measure before us provides for the continuance of the surtax which I think all of us must agree adds only to the repressive burden of taxation in Canada. This is the thing that is throttling business in Canada today. I do not think there is much doubt in the mind of anyone in this House that this country has gone too far down the road of socialism. Let me read from a publication which came to my office today containing the text of an address by J. Allyn Taylor, Chairman and President of Canada Trust-Huron and Erie, to the annual general meeting of shareholders. He referred to some figures to compare the percentage of the gross national product of various countries which goes towards the upkeep of government. He states:

They show where we stand in comparison with the other major countries bordering on the Pacific, with whom we must compete for more than 50 per cent of the world's trade. Thirty-five per cent of our gross national product now goes to the upkeep of government in Canada. In New Zealand, a country that we have long considered as being highly socialistic, the figure is 31 per cent. In the United States, it is 28 per cent including the costs of Vietnam. It is 21 per cent in Australia and 16 per cent in Japan. This is concrete evidence, I suggest, that we are well along the road to becoming a socialistic state.

Socialism is based on the premise that the government takes all and distributes to each according to his need. Mr. Taylor goes on later in his address to say:

There is abundant evidence of the increasing dominance of the federal public sector over all our lives. With it has come corresponding reduction in the influence of junior levels of government and the private sector. Witness the fact that the Federal Government has grown in the last decade at over twice the annual rate of the economy as a whole. It has become so massive, so unwieldy and so all-embracing that its inefficiencies and its extravagances become harder and harder to combat, no matter how well intended government officials may be.

One of Parkinson's laws says "From size comes complexity, and from complexity, decay". This characteristic of size threatens every institution known to man and government is surely no exception.

We must recognize that it is almost impossible to reverse this trend and, with the technological advances we have today, it will be impossible to attain anything approaching, full employment in the future. In this context I refer to meaningful employment, because it is a fact of life that probably one third of the people in Canada whom we consider to be employed today are not really meaningfully employed. We know there is a great deal of feather-bedding in industry, and that there are many people in industry whose jobs could easily be performed by machines. We must recognize that full employment would only be possible if we were to revert to the situation which existed 100 years ago. We would have to set aside the technological advances we have made and revert to a manual labour. It is time all parties that believe the free enterprise system is a way of life considered the plans initiated by Kelso and some of his colleagues. I have in mind second income plans.

It is very evident to any thinking person that two factors in production are paramount, one being manpower and the other being capital. We should recognize that an individual has the right to pursue his own goal. It is up to all of us to work toward devising plans which would put capital for production back into the hands of the workers. I suggest this is not impossible. It is the only alternative we, as Canadians, have if we are going to combat complete state control in the future.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment to the main motion by Mr. Lambert (Bellechasse). Is it the pleasure of the House to adopt the said motion All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment (Mr. Lambert—Bellechasse), which was negatived on the following division:

YEAS

Messrs:

Barnett	MacInnis (Mrs.)
Bell	MacLean
Benjamin	Macquarrie
Burton	McCleave
Code	McCutcheon
Diefenbaker	McGrath
Dionne	McIntosh
Downey	McKinley
Fairweather	Mather
Flemming	Moore
Forrestall	Muir
Gleave	Nesbitt
Godin	Nowlan
Hales	Nystrom
Harding	Orlikow
Hees	Paproski
Horner	Peddle
Howard (Skeena)	Ricard
Howe	Rodrigue
Knowles (Winnipeg North Centre)	Rondeau
Korchinski	Rose
Lambert (Bellechasse)	Ryan
Lewis	Rynard
MacInnis (Cape Breton-East Richmond)	Saltsman
	Simpson
	Skoberg
	Southam

Messrs:

Stanfield
Stewart Marquette)
Thomas (Moncton)
Thomson
(Battleford-Kindersley)
Winch
Yewchuk—57.

NAYS

Messrs:

Andras
Badanai
Barrett
Basford
Benson
Blair
Borrie
Boulanger
Caccia
Cafik
Clermont
Corbin
Cullen
Deachman
Drury
Dubé
Faulkner
Forget
Francis
Gillespie
Gray
Greene
Guay (St. Boniface)
Guilbault
Hellyer
Hopkins
Hymmen
Isabelle
Jerome
Kierans
Laing
(Vancouver South)
Lang (Saskatoon-
Humboldt)
Lefebvre
Legault
Lessard (LaSalle)
Macdonald (Rosedale)
MacEachen
Mackasey
McIlraith
McNulty
Mahoney
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Munro
Noël
Olson
Orange
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Richard
Smith
(Northumberland-
Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Sulatycky
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whicher—68.

• (4:10 p.m.)

Mr. Deputy Speaker: I declare the amendment lost.

The question is now on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Deputy Speaker: Will all those in favour of the said motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Will all those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members. Is it agreed that the vote on the main motion be taken without ringing the bells?

Division

Some hon. Members: Agreed.

The House divided on the motion (Mr. Benson) which was agreed to on the following division:

YEAS

Messrs:

Andras
Badanai
Barrett
Basford
Benson
Blair
Borrie
Boulanger
Caccia
Cafik
Clermont
Corbin
Cullen
Deachman
Drury
Dubé
Faulkner
Forget
Francis
Gillespie
Gray
Greene
Guay (St. Boniface)
Guilbault
Hellyer
Hopkins
Hymmen
Isabelle
Jerome
Kierans
Laing
(Vancouver South)
Lang (Saskatoon-
Humboldt)
Lefebvre
Legault
Lessard (LaSalle)
Macdonald (Rosedale)
MacEachen
Mackasey
McIlraith
McNulty
Mahoney
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Munro
Noël
Olson
Orange
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Richard
Smith
(Northumberland-
Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Sulatycky
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whicher—68.

NAYS

Messrs:

Barnett
Bell
Benjamin
Burton
Code
Diefenbaker
Dionne
Downey
Fairweather
Flemming
Forrestall
Gleave
Godin
Hales
Harding
Hees
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg
North Centre)
Korchinski
Lambert
(Bellechasse)
Lewis
MacInnis (Cape
Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Mather
Moore
Muir
Nesbitt
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Ricard
Rodrigue
Rondeau
Rose
Ryan
Rynard

Consumer Packaging and Labelling Act

Messrs:

Saltsman	Thomas (Moncton)
Simpson	Thomson
Skoberg	(Battleford-Kindersley)
Southam	Winch
Stanfield	Yewchuk—57.
Stewart (Marquette)	

Mr. Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

CONSUMER PACKAGING AND LABELLING ACT

PROVISIONS RESPECTING PROHIBITIONS, LABELS STANDARDIZATION, INSPECTION, ETC.

The House proceeded to the consideration of Bill C-180, respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): I move:

That Bill C-180, an act respecting the packaging, sale, importation and advertising of prepackaged and certain other products, be amended by deleting clause 3 at page 2 thereof and substituting therefor:

"Application of Act

3. (1) The provisions of this act that by the terms of this act or the regulations are applicable to any product apply as long and as far only as they are not repugnant to or inconsistent with or do not impinge upon the provisions of any other act of the Parliament of Canada.

(2) This act does not apply where a product is neither the subject or importation into Canada nor of trade or commerce from one province into another."

• (4:20 p.m.)

I wish to say a few words about this particular amendment, Mr. Speaker and, since this is the report stage, I wish to make a few general remarks about the bill. This bill relates to the packaging, labelling, sale, importation and advertising of prepackaged and certain other products and was introduced by the Minister of Consumer and Corporate Affairs (Mr. Basford). An examination of this measure would lead one to assume that it would warm the cockles of the consumers' hearts, thus making it possible for the Minister of Consumer and Corporate Affairs to indicate he had done a great deal from them.

However, if we look at the history of this bill, we see that first reading was on November 2. It was introduced into the House for second reading on December 16 and now, on March 15, we are at the report stage. In the intervening time, hon. members saw the famous letter from the chairman of the committee which denied all interested people any opportunity to present their petitions. This caused a real uproar. I do not know whether the chairman of the committee had been told to do that or did it inadvertently. After a few days of reconsideration, the minister changed his mind and all the consumers' organizations, business people and trade organizations were allowed to present their petitions to the committee. The committee had some very good hearings.

[Mr. Deputy Speaker.]

This particular piece of legislation follows the same pattern as other legislation presented in this House. It was introduced with a great deal of fanfare. However, what do we find? We find that the bill has been greatly amended in committee. We also remember a news story a few days ago in which it was reported that the Prime Minister (Mr. Trudeau) had petulantly indicated to a group of young people that the opposition were holding up legislation. We find that 90 per cent of the time when a bill reaches the report stage and third reading it bears little similarity to the original bill presented to this House. If it were not for the opposition discussing, questioning and in a great many cases advising this government, this country would have a great deal of very poor legislation. I am afraid this situation will continue until the government gets better draftsmen. It is extremely important for the opposition to thoroughly scan every piece of legislation introduced into this House.

We remember the great fanfare with which the minister introduced this bill. He quoted from the Bible, quoted poetic stanzas and referred to historical events to substantiate the necessity for this bill. I was reminded of the passage in the Bible which relates how our Master went into the temple with a whip and drove out the moneychangers and gamblers. There has been a lot of discussion about an election being held one of these days. The Minister of Consumer and Corporate Affairs will use this election as a whip. He will go to the supermarkets and business establishments saying "Look what I did for the consumers of this country." This is not so. This bill will not do all that for the consumers.

I sometimes wonder about the effectiveness of the Department of Consumer and Corporate Affairs. The other day in Committee the minister was asked why he was not able to take action under the Combines Investigation Act against the banks of Canada which raised their service charges almost 300 per cent. When the minister was asked whether the fact that all banks acted at the same time indicated there was a combine he replied that the Combines Investigation Act does not have anything to do with services. If there is any place the Combines Investigation Act should apply, it is with regard to public services of this kind. It is not just the cost of packaged products that is increasing the cost of living. The cost of the services that people require is adding greatly to the cost of living, yet we have not seen any legislation in this regard.

If the Combines Investigation Act is inadequate, it should be amended so that banks cannot get together to do this kind of thing. The fact that one of the heads of the Bank of Canada had something to do with a big dinner in Toronto a few days ago may have something to do with this lack of action against the banks. We do not know. The Combines Investigation Act should have some effect on this kind of practice. We wonder about the importance of this legislation. In introducing this measure in committee, the minister said:

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. In his opening remarks, the hon. member indicated he wanted to make some general com-

ments at the report stage. I have been hoping that the hon. member would relate his remarks to the amendment which he proposed to the House. While I may not be correct, I think the Standing Order requires that at the report stage hon. members confine their remarks to the amendment before the House and not range quite as wide as the hon. member is doing.

Mr. Howe: If Your Honour looks at the amendment, you will see that it mentions various acts, thus opening a great many areas of discussion. I wish to refer to the minister's opening remarks in committee in which he mentioned the necessity for this bill. He said:

> The great bulk of those engaged in packaging and labelling are endeavouring to provide accurate and full information, but unfortunately the record of our inspectors, the records of Box 999, the records of prosecutions, will indicate of course that there is that small minority of people who do engage in misleading and deceptive packaging and we need more effective laws to deal with it.

Does this statement mean that the bill only applies to the small packager and small handler? What about the big fellow? Will he be given the same treatment as the others? This possibility becomes a bit disturbing, Mr. Speaker. As I say, this is the important thing about this legislation.

Many of the people who appeared before the committee questioned the necessity for this piece of legislation. They said there is already a lot of legislation that looks into their affairs and is supposed to guide and direct them. According to the Committee report, the representative of the Fisheries Council of Canada, when speaking about this bill, said:

> It will result in additional government expense, divided ministerial authority and additional costs to the consumer.

The feed producers and cosmetic people did not want to have any part of this bill; so many people suggested amendments to the bill that it would have borne little similarity to the original bill.

• (4:30 p.m.)

Getting to my amendment, the annual report of the Department of Consumer and Corporate Affairs has this to say about the activities of the food division of the department:

> Through continuous contacts with field officers, a uniform policy concerning the requirements of the Food and Drugs Act and regulations was maintained. Thirty-two food programs were developed on behalf of the operations branch. These concerned the legislative requirements of the Food and Drugs, Canada Agriculture Products, Canada Dairy Products and Fisheries Acts and regulations. A food program involves explicit instructions for surveillance, purchase, test, permitted content, seizure, and possible prosecution.

This bears out what I have been saying, Mr. Speaker. Why this extra legislation when all these measures are already in operation? This is what the report has to say about labelling:

> During the year, 4,475 food labels were reviewed, 1,896 of which required changes for conformity; 260 trade marks were considered for possible use on food labels; 2,131 advertisements were studied, and 29 found unacceptable; 15,056 radio and television commercials were approved, nine per cent of which required changes.

This supports my contention that there is already abundant legislation concerning the activities of the firms engaged in the processing of food and of agricultural products generally. The minister could indeed achieve something in this bill if he were able to tell us he had devised a package into which hazardous products could safely be packed for sale. On this point, the departmental report merely states that investigations will continue in the new year. I find myself asking why action was not taken earlier, why something was not done a year and a half ago. Fifty thousand children were poisoned last year as a result of gaining access to hazardous drugs and substances of various kinds, yet so far we have failed to discover a container of the type which a child is unable to open. It is time we did something about it. I was happy to read an announcement in the paper this morning to the effect that the provincial government of Ontario is taking action to discourage packaging in throw away bottles. We feel this legislation will merely bring about a further proliferation of laws and regulations to an extent which will prove confusing to industry and costly to the consumer by reason of increased taxation to pay for inspection as well as the extra cost of labelling and packaging.

The first purpose of my amendment is achieved by the new subclause (1). The present subclause (1) would give the bill a jurisdiction or applicability concurrent with all the other acts of this Parliament that regulate products, with two exceptions. The first exception is the statutory exemption in subclause (2), that is, a product that is a device or drug under the Food and Drugs Act. The second exemption is a discretionary exemption by regulation. In the result, a product could be regulated both under this act and another act. Evidence in committee was that there are about 20 of these acts on the statute books at the present time. In the minister's discretion, he could recommend regulations to the Governor in Council which would minimize conflict. In a matter so important as the trade and commerce of Canada—a matter which is of the utmost importance to the person who is engaged in trade and commerce and to the person who, as consumer and taxpayer, must eventually pay in one way or another for the costs involved in over regulation—the avoidance of confusion and conflict should not be left to the discretion of a minister.

This subclause fails to cut out a clearly defined area within which the bill would give exclusive jurisdiction without trespassing into other regulation-making jurisdictions. This faulty drafting is due to either of two reasons: the reluctance of the legal draftsmen to search the statutes so they might exclude products controlled under other laws as they have done with the Food and Drugs Act, or the intransigence of the Minister of Consumer and Corporate Affairs and his colleagues, who control products under other statutes, when confronted with the need to reach agreement on sharing or surrendering authority.

The proposed subclause (1) would amend this defective drafting and the resultant potentiality for confusing and inconsistent regulations, by adapting a section of the

BNA Act. Section 95 of the BNA Act gives a concurrent jurisdiction to federal and provincial governments over the fields of agriculture and immigration. However, where both federal and province make laws in either field, the provincial law has effect only to the extent it is not repugnant to the federal law. That principle is applied here in the amendment. The Minister of Consumer and Corporate Affairs has full jurisdiction but where another branch of government has a particular power under another act of this Parliament and exercises that power, then any conflicting regulation under this act is void for repugnancy.

The proposed amendment to subclause (1) does away with the necessity for subclause (2). Instead, a new subclause (2) is proposed. The amendment does not alter the applicability of Bill C-180. It is merely declaratory of the law, that is, that the bill does not apply to a product which is solely and exclusively the subject of trade and commerce within a province. It makes clear that the bill does not apply to a product which is neither the subject of importation into Canada nor of trade and commerce between provinces. The definition of "product" in clause 2 (j) defines product as follows:

(j) "product" means any article that is or may be the subject of trade or commerce, but does not include land or any interest therein;

This definition can be read to mean that the federal government unilaterally proposes to extend the meaning of its constitutional power under section 91(2) of the BNA Act, "The regulation of trade and commerce" into the provincial fields of "Property and civil rights in the province" and "Generally all matters of a merely local or private nature in the province" under section 92(13) and (16) of the BNA Act. Alternatively, the definition can be read to mean that the federal government proposes to apply a subjective test to a product, that is, the determination by the federal government that a product "may be the subject of trade and commerce" regardless of the objective fact that the product is not the subject of trade and commerce interprovincially or extra-provincially.

The constitution of Canada as it applies to the division of powers between the federal government and the provinces should not be rewritten, or appear to be rewritten, in a federal statute. This Parliament should not agree to write any statute so as to deceive the citizen whom it purports to bind as to its legal limits and to mislead him as to his rights under the constitution of Canada. This bill would make the Canadian citizen subject his person and submit his goods to government inspectors in a variety of ways. He should not be tricked into doing so by stealth and subterfuge where no right in the federal government exists. He should not be deluded that he has no right to refuse where the bill does not and cannot constitutionally apply, and that he has no right to resist through the courts.

This bill may be compared to the Fish Inspection Act, Chapter 118 of the revised statutes. Section 3 of that act provides:

3. The Governor in Council may for the purpose of regulating the export or import of fish and containers make regulations—

Section 16 of the act provides:

16. This act applies to the shipment of fish or marine plants from one province to another as though the shipment from a province were an export and the shipment into a province were an import.

These two provisions limit the scope of the act to extra-provincial and interprovincial trade and commerce. By clear implication they exclude the application of the act from operation of trade and commerce that is solely within a province. There is no express statement to this effect but the implication is clear enough to the courts and to the citizen. Although the Fish Inspection Act was enacted in 1949, it was not proclaimed in force until November 1, 1967. It is a fair conclusion, therefore, that only three years ago the government was satisfied and careful to express in a statute the government's constitutional inability to intrude into the field of inspecting packages and containers, among other things, of a product that is the subject of trade and commerce solely within a province.

The purpose of the proposed amendment to subclause (2) of clause 3 is to express that constitutional inability in the present bill. Let us apply the principle of the bill to the bill. Let there be truth in the packaging of a commercial product, but let there also be truth in the packaging of the law. Parliament should not sell this bill to the consumer as jumbo size when it is slack filled.

• (4:40 p.m.)

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to take a few moments to state the position of the members of our group on this Bill. I realize that some hon. members want to support this amendment because they are worried about what they feel is an unnecessary proliferation of legislation. They believe the less government intervenes in the market place, the better. I know there are dangers in proliferating legislation and regulations, and do not close my eyes to those dangers. On the other hand, this group has certain reasons for rejecting this amendment.

To begin with, those of us who were members of the joint Senate-House of Commons prices committee several years ago realized at that time that the consumer did not have a particular voice in this chamber, so great efforts were made to set up a department that would protect the interests of consumers as a group.

Mr. McGrath: You are all alone on that.

Mrs. MacInnis: Well, we managed to get a department set up, though we only got, as it were, half a department. Perhaps we got only half a minister, too.

As far as this legislation is concerned I am prepared to go along with the minister to quite an extent, though I shall have some reservations to make later on. What the legislation is seeking to do is not to proliferate a lot of new regulations, leaving things exactly as they are in the meantime; I do not think you could do this. The hon. member's amendment seeks to make the legislation applicable only as long as it does not impinge upon any other

legislation, which I do not think is a sensible position to take. If this legislation is to do its job, obviously some of the legislative arrangements already made will have to be upset. What the legislation is doing in a positive sense, I believe, is placing under the aegis of this act a great deal of other legislation that affects consumers, legislation that is now administered by other departments. In other words, this legislation is going to place an umbrella over consumers in respect of packaging and labelling.

When officials from the Fisheries Council and the Meat Packers' Council were before the committee, I was broadly sympathetic to their view that they had been able to operate satisfactorily for years under existing legislation, and that perhaps we should leave things as they are. But the more I thought about it, the more I came to realize that the present situation was very confusing and upsetting to the consumers, and consequently it was much more sensible to have one piece of umbrella legislation covering all the different aspects of packaging and labelling. I believe that what the consumer wants is simplicity and easily understood legislation, rather than having regulations administered by a multiplicity of departments.

I listened to the explanation given by the minister, and according to what he told us it is not his intention to remove the inspectors presently operating under the legislation and to replace them with others. The minister gave us the assurance that the inspection services of the fisheries department, the meat inspection branch of the Department of Agriculture, and the third department, which for the moment escapes me—

Mr. Basford: Health and welfare.

Mrs MacInnis: Yes, health and welfare—will continue to operate, though he intends to mesh them in with his own inspectors and to adopt the inspection procedures that are satisfactory to the public, supplementing them where necessary. If that is the case—and the minister assured us that it was—I think it is a very sensible way of proceeding, rather than uprooting the whole system and passing fresh regulations and rules of procedure. Although certain changes will have to be made to mesh the two together, I am prepared to take a chance on the minister's proposals in this regard.

I also think it is not a good idea to worry too much about some of the existing legislation and regulations. The consumers want protection above everything else. They want to know that there is legislation that will protect them. They have not had this protection to date under existing legislation. It is obvious from all the letters and representations received by Box 99 and by members of Parliament that the consumer is not satisfied he has sufficient protection in the market place to prevent him from being deceived. The consumer has made it abundantly clear that new packaging and labelling legislation is required, and it is here that we must begin.

The minister is not taking this step on the spur of the moment; he was told to do it years ago by the prices committee. That committee gave an indication that what was needed, first of all, was a department of consumer affairs; and secondly, legislation dealing with the various aspects of consumer affairs. One of those aspects was protection of the consumer in the area of packaging and labelling.

This amendment seeks to remove from the application of the legislation certain consumer products that are not the subject of interprovincial trade. Let me point out that today our consumers are continually on the move, and they want safeguards regardless of where they happen to be living. Since Canadians are travelling more and more, this protection must be universally afforded them; and in this legislation I think the minister has recognized this fact. Therefore, I do not think it would be a good idea to remove certain products from the application of this legislation.

No piece of legislation is better than its regulations, and we have yet to see these regulations. No piece of legislation is better than its enforcement, and we do not know how this bill, when it does become law, will be enforced. But there are certain cases where one just has to take a chance. I am prepared to take a chance on this aspect of the bill because, as I say, I think the consumer wants protection. Prior to this bill coming into force consumers have not had the protection in respect of labelling and packaging they need. I feel that this bill, by its umbrella-like character, will bring together the various products in relation to which consumers need protection. These products will be subjected to the same type of inspection and handling. For this reason I cannot go along with this amendment, much as I sympathize with some of the fears of the hon. member who introduced it.

• (4:50 p.m.)

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I listened with a great deal of interest to the last speaker and I welcome her support in opposition to the amendment. I listened to the mover of the amendment with some puzzlement. I really do not understand my friends opposite who criticize me and the department for bringing in consumer practices and legislation which they say are not effective, and then as soon as we bring in effective legislation they move amendments that would completely destroy the effect of that legislation.

Some hon. Members: Shame, shame.

Mr. Basford: This, of course, would be the effect of the amendment proposed by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe). The effect of his amendment would be to destroy this packaging and labelling bill. The opposition must prefer legislation which is really window dressing. In this government we do not like that kind of legislation. We write legislation that has some teeth in it, such as this bill, and then opposition members get up and move amendments which would remove all those teeth. I listened to them and watched them with a great deal of puzzlement.

Let me say why I cannot accept this amendment. As I say, it would destroy the very purpose of this bill which is intended to provide and assure some uniformity of packaging and labelling requirements by replacing a very great range and variety of regulations and provisions now scattered throughout some 12 or 15 different federal labelling acts, let alone all we may have in the provincial field. In addition, it would restrict the impact of this bill to certain importations to Canada and goods of inter-provincial trade.

The bill, as now designed, proposes to bring about an improvement in the field of packaging and labelling of all kinds of consumer goods, regardless of whether they are imports or enter interprovincial trade. We are suggesting here that the consumer is entitled to full information in respect of the packaging and labelling of all goods he buys. It does not matter whether they are imported or of domestic manufacturer, and it does not matter whether they enter interprovincial trade. Surely, the Canadian consumer is entitled to basic consumer rights under this kind of legislation. This measure is designed under the authority of criminal law and the federal power to prevent deception, confusion and manipulation. Surely, the consumer is entitled to protection against deception, manipulation and trickery, whether it be at the level of a domestic product, an imported product, or a product that enters the field of inter-provincial trade.

Surely, that is something basic to which the Canadian consumer is entitled, regardless of where he lives or what he is buying. Surely, he is entitled to protection against deceptive and misleading statements, trickery and manipulation. This is why we cannot accept this amendment. This is why I do not understand my friends opposite who get up and make great speeches to the effect that the consumer must be protected, then move amendments such as the amendment moved by the hon. member which would completely destroy this legislation. As I have said time after time, this legislation is designed as an omnibus packaging bill to encompass the various products and goods under federal departments of government. This can be done by the adoption of sovereign legislation over-riding other laws, and legislation. To do otherwise might have the effect of destroying the usefulness of this measure.

Mr. McGrath: Would the hon. minister permit a question?

Mr. Basford: Later, Mr. Speaker. There was some scuffling among witnesses who appeared before the committee, some of whom suggested we should not have clause 3 of the bill and that it should be amended as suggested by the hon. member. In this regard, I should like to quote from a brief presented to the committee by Dr. Ziegel. Hon. members know that Dr. Ziegel is one of the leading consumer lawyers in Canada. I should like to quote this sentence from the brief he submitted to the committee:

> Where several Acts apply to a given subject matter, it is standard drafting technique to provide that, in the case of conflict, the later Act, which is the Act before the Committee, shall prevail over the earlier ones. That being so it is equally logical to provide that the later regulations passed under this packaging, labelling Act shall have precedence over the earlier ones. The alternative would be to require a time-consuming amendment of all the previous regulations.

Dr. Ziegel went on to state:

> I foresee none of the dreadful consequences which the critics allege or any threat to the principle of Parliamentary sovereignty in Section 3.

The allegation was that clause 3 made this consumer packaging and labelling bill the primary measure overriding all other provisions and regulations. It was suggested that this was a terrible thing to do. I have quoted Dr. Ziegel who said that this is a very proper thing to do.

Let me quote what I suggested to the committee which, I might add, supported me in this:

> One Act and one set of regulations has to have priority and precedence over the other, and what is before the Committee is, shall this Act, the later Act, the more modern Act, the most recent Act, have the precedence or shall some old Act have the precedence and the priority?

Mr. McGrath: Would the minister permit a question now?

Mr. Basford: We determined that this measure should have priority in order that we might establish Canadian uniformity in co-ordinating standards of packaging and labelling in respect of all products of a consumer nature. I attempted to make this clear to the committee. This is going to require extensive co-ordination with other government departments and with provinces as well as those in the private sector.

I want to reiterate the assurance I gave the committee regarding the understanding that this co-ordination will be forthcoming. We will be consulting with those in the private sector to ensure that various packaging regulations are as consistent as possible. The hon. member for St. John's East wanted to ask a question, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for St. John's East has indicated he wants to ask a question. He can do so if there is unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Mr. McGrath: If we accept the submission of Dr. Ziegel, why not bring in an omnibus bill, for which this government is becoming famous? This would have the effect of repealing the 15 statutes which already relate to these various things covered by the bill, thereby disposing of what is becoming a proliferation of legislation with the effect of confusing the consumer and the manufacturer?

Mr. Basford: I thought I had got that point across to the member at the committee hearings when dealing with precisely what he suggests. This bill is designed to establish a common uniform standard with respect to a number of things which are important to the consumer in terms of packaging and labelling practice, such as the declaration of net quantity. There is no reason why you should have 10 different regulations as to how net quantity is determined, whether it be in respect of a can of

tomato soup, a box of soap or a pair of socks. Surely, it is possible to establish one uniform system for that kind of a declaration. Surely there is one procedure which could be applicable to misleading labelling and untrue or misleading statements. In special acts there must be special regulations which relate to specialty products. I have in mind, for example, pesticides. We must have special provision which relate to pesticides. I can think of fishing regulations. Obviously, fish is a particular kind of product and we must have special regulations which apply above and beyond the common and uniform manufacturing provisions. That is why we have not repealed all the other Acts.

Mr. Deputy Speaker: Is it the pleasure of the House that the Chair put the question before calling it five o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The question is on the amendment moved by Mr. Howe, seconded by Mr. Hales, in respect of Bill C-180.

Is it the pleasure of the House to adopt the said amendment? Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

An hon. Member: On division.

Motion No. 1 (Mr. Howe) negatived.

* * *

• (5:00 p.m.)

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr Speaker, I rise on a point of order for the purpose of confirming the understanding of last week that tomorrow will be an allotted day.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—Finance—Bankruptcy—Measures to Forestall Further Business Failures; the hon. member for Moose Jaw (Mr. Skoberg)—Grain—Alleged Showdown in Movement to Vancouver Because of Labour Problems—Advance Notice of Grades Required; the hon. member for Fraser Valley West (Mr. Rose)—Health—Cyclamates—Compensation to Food Processors for Losses Caused by Ban.

23966—58½

PRIVATE MEMBERS' NOTICES OF MOTIONS

HEALTH

REQUEST FOR FREE DRUGS TO WELFARE RECIPIENTS AND GRADED ASSISTANCE TO OTHERS IN MEETING DRUG COSTS

Mr. P. B. Rynard (Simcoe North) moved:

That, in the opinion of this House, the government should give immediate consideration to the provision of free drugs for all persons in receipt of social services and for graded payments for those on limited incomes who are now covered by Medicare.

He said: Mr. Speaker, I present this motion to the House today because of the disparity which exists in respect of illness in relation to the older age groups which is so apparent today. This is due to the increasing age of our population which has resulted from the control and limitation of disease. I might illustrate my point by placing some figures on the record. In the year 1 A.D. the population world wide was 250 millon people. By the time the first count was taken in the middle of the 17th century the population had doubled. The population had doubled again by 1800. According to "World Population" by Carr-Saunders, in 1650 the world population was 465 million, by 1750 was 660 million, by 1800 was 836 million, by 1850 was 1,098 million, by 1900 was 1,551 million, by 1933 was 2,057 million, by 1960 was 3 billion and at the end of this century will be between six billion and seven billion.

This will mean that continually there will be a great many more people in the older age groups than at present. Since there are many, many more people in the age group of 65 years, and since these people suffer many illnesses and require more operations than the younger group, the hospitalization figures for this age group are approximately four times what they are for the age group of 35 years. These people require many more drugs in their pursuit of life. I am pleading the case of these people, as well as those who are on low-income, who for one reason or another are unable to purchase the drugs they need.

Mr. McCleave: A great humanitarian.

Mr. Rynard: It is for those people I plead today. There has been a great leap ahead in my profession, and in the field of science, which has contributed to the fact that there are now many more people who reach age 65. In the year 1900, the average age at time of death was 40 years; that was the actual lifespan. Today, the average age at death is around 70. This change has resulted from the introduction of vaccines, serums and new drugs. I could go over the picture from the time of the discovery of the diphtheria anti-toxin, the discovery of the cause and treatment of typhoid fever, as well as the discovery of the treatment of diabetes and pernicious anaemia. We had the sulphas, the penicillins and the golden drugs of the antibiotic age. Many of these were discovered in the past 20 or 30 years. It is a fact that in 1900, in the age group from 1 to 35 years, the common cause of death was

infections and infectious diseases. That included, as I say, anything from diphtheria to scarlet fever, pneumonia and other infectious diseases which cut down these people before they reached 35 years of age.

With the discovery of insulin, as we all know in Toronto, diabetics were able to lead somewhat more normal lives. They were able to re-enter the work force. The same thing applies to the treatment of pneumonia. Where the illness once required many weeks or months of treatment, now is it a matter of days before a patient is back to work. Economically this has meant a saving of millions and millions of dollars. I wish to emphasize this point. By adopting the measure I am suggesting, we would not be giving these people anything. The money has been saved many times over by the use of these drugs. In many cases the breadwinner of a family is able to continue his work and rejoin his family. It is truly a wonderful picture. Today most of the deaths occurring in the age group between 1 and 35 are the result of accidents.

Then, we have the geriatric diseases which commence at age 35—gradual degeneration, hardening of the arteries, diseases of the cardio-vascular system, diseases of the chest such as emphysema, bronchitis and other respiratory diseases which are affected of course by pollution, one of the great problems we have today. Many of our older people have these diseases and there is a mistaken idea abroad that the Canada Assistance Plan is supposed to help take care of the situation. It does help in some cases, but many are left untouched. The answer I have been given by the Minister of National Health and Welfare (Mr. Munro) is that the Canada Assistance Plan will do the job. In practice, however, it does not do what it should, unless one has sufficient time to wait for it to become operational and to cut through all the red tape. It is an inadequate program because it is cost-shared with the municipalities and provinces. Great gaps are created in the funding of this program, particularly in those provinces which have inadequate financial resources. In the municipalities, the situation can be even worse. They have limited tax resources and with the crisis in respect of welfare this past year, the municipalities have been taxed beyond their limits.

We must remember there are two levels of assistance, particularly in my province of Ontario. The first involves the basic requirements for food, shelter and clothing. The second is listed as "other items". Health care, including drugs, falls in this category. So that is the reason, Mr. Speaker, I say that the Canada Assistance Plan does not, in many cases, cover those people at all. It is discretionary and it allows for a wide diversity of approach by the provinces to this problem. In other words, it is a hodgepodge of services, varying in the same provinces and from province to province. It follows that it is most difficult for people in short term need to obtain the necessary drugs because they are needed right away. Some people might say that if the patient cannot obtain the health care he needs, he can always appeal. Somebody on the government side told me this the other day. The patient can always appeal under the Canada Assistance Plan. But some provinces have no appeal provisions dealing with health care services and drugs, and that

applies to my province of Ontario. In Ontario, drugs and dressings are provided on a discretionary basis by the municipalities. They do not have to do it if their budget is tight.

• (5:10 p.m.)

Long term recipients of welfare benefits must apply to the municipality for aid. Supplementary aid is normally paid in cash to those who have long, recurring needs. Indeed, the whole health care field has many areas for which there is no coverage for those in need, except for two public hospitals and 32 other private hospitals which accept Ontario hospital cards. Let us take, for instance, the case of patients who have been in an active treatment hospital. They have been covered by national hospitalization but their active treatment days are over. They must leave the hospital and go to a chronic care home since they are unable to look after themselves, but there is no hospitalization card for this. In effect, we only have active treatment hospital coverage except, as stated previously, in the province of Ontario. Other provinces have varying degrees of coverage. I have seen many of those people forced to leave an active treatment centre, many of them in the sunset of their lives. Many of them have lost their friends through death and have to face a heartrending future with little or no funds.

Inflation and erosion have destroyed what to many of them seemed adequate savings at the time. They lived in a quieter world than we do, and to some death would be welcome. Many of them, with the stark tragedy of their helplessness facing them, become disoriented mentally, and this is a real tragedy. These are the victims of the cruelty of both national hospitalization and national medicare. But the federal government brought both of them into being, and it is their responsibility to see that those programs are made effective so that the provinces can participate on a fifty-fifty basis. It is the responsibility of the federal government to cost-share these programs and to ensure that the standard of health care is universal across Canada, that it is the same in the Maritimes, in British Columbia, and in Ontario. It is neither fair nor honest to treat the senior citizens of this land with such cruelty when they are unable to help themselves, and yet it is they who gave us this land in a better moral and spiritual state than we could return it to them today.

I would like to dwell for a minute on the number of old people and on their situation. There are approximately 665,000 people between the ages of 65 and 69, of whom only a third have a taxable income. There are nearly 1,100,000 of those over 70, of whom one fourth have a taxable income. Of the single old age pensioners, 70 per cent have $1,300 or less income, and two thirds of the married old age pensioners have incomes of less than $4,000. Old people are in a peculiar position, particularly when the amended old age security measure redistributed poverty among the aged. I think it was the hon. member for Winnipeg North Centre (Mr. Knowles) who coined that phrase. Improved benefits for some retired persons will be paid at the expense of other retired people.

People who are on a low wage scale have been hurt by present day inflation, and last December we told a group of old age pensioners that in the future they will no longer be able to enjoy the 2 per cent escalation for the cost of living to which they had been entitled. These are the cruel facts of life. For nearly 20 years they have been led to believe that this pension was their basic right. They were paying taxes each year for this pension, as we do under the Canada Pension Plan, but no one ever thought that the government would be capable of committing what amounts to theft. This is one of the reasons old age pensioners, those on social security and those on low incomes, have great difficulty in paying their drug accounts.

Many of those older people develop more than one disease. They often have coronary disease, diabetes, respiratory diseases, and these require the judicious use of many drugs which are costly. In other words, when a person reaches the age of 65 or over his organs begin to wear out. He may find that his cardiovascular system, his cerebral vessels, his chest and his lungs start to deteriorate. These people may have three or four of these diseases which require treatment. The cost of drugs may well amount to $30 a month per person. I could cite many such cases to the House if I had more time. If both husband and wife have chronic diseases, the drug cost surpasses $30 a month. Many thousands of people are kept out of hospital by the judicious use of drugs, thus saving the taxpayers millions of dollars.

This also applies to the treatment of mental disease. Many people are working today who would be confined to mental institutions if it were not for the judicious use of tranquilizers. The cost of all those drugs has largely been borne by the patients to the benefit of the taxpayer of Canada. Without the drugs the patient would be in hospital a great deal of the time and thus would require nursing care or home care. We all know what a problem that is today with hospital costs about 100 per cent higher than they were eight or nine years ago. We are greatly concerned about this now, and this is why I say that the judicious use of drugs will cut down the need for hospital care.

It does not seem fair to ask the old age pensioners and those on low incomes to pay for the drugs they need and which, in some cases, they do without because of lack of funds. That is the sad part. Once they do without those drugs they are potential hospital cases and then they cost us thousands of dollars. This is the crux of the matter and this is what I want you to remember. Even if we are motivated selfishly, we will buy those drugs because they will keep these people out of hospitals and that will reduce our taxes.

Let us not be penny wise and pound foolish. There are thousands of people across Canada who often pay high rents. I know of two people, whose cases were described in the press, who were paying $80 a month for one room. This was more than one third of their combined pension. I have known of doctors who have scrounged around their offices to see if they could get samples of antibiotics for one of those elderly patients who needed them. I know of druggists who have done the same thing to try to help those people. What do these people do when they need the next batch of drugs?

• (5:20 p.m.)

The crux of the problem goes deep. The federal government brought in a national medicare plan which was supposed to provide full medical, surgical and pharmaceutical treatment. If anybody doubts that let him get up and say so. That legislation was based on the Hall Commission Report. Here is what that report had to say on the question of drugs, at page 240, of volume 1:

> Effective and judicious use of drugs has made it possible not only to improve the health of the nation but also to raise the economic benefits resulting from the provision of health services. The use of many of the newer drugs by physicians facilitates their patients' recovery—

Let me tell you that this cuts down on the number of visits the doctor makes. The cost of the physician under OHSIP today is becoming increasingly important.

> —and in some instances avoids or minimizes the effect of serious diseases. Improvement in the state of health of the nation meant increases in the productivity of the working force.

This is one of the main points I am making. Some of these people keep on working, even with chronic diseases.

> Persons released from hospital care sooner because of new or improved drug therapy meant saving costly hospital bed days, a welcome economy in the light of rapidly increasing costs of hospital care.

This is what I have pointed out previously.

> Even more important than the economic advantages are the numerous benefits to Canadians in reducing or preventing human suffering. Furthermore, drugs have proven to be an invaluable weapon in the arsenal of the medical profession in its fight against disease and emotional disorder. Advances in drug in the last two decades have been particularly spectacular. Most of the progress made has taken place in such industrial advanced countries as the United States and the United Kingdom. Canadians have shared in this progress. The dynamics of progress in the drug field are illustrated by estimates which indicate that 90 per cent of the drugs prescribed in 1960 were introduced in the previous two decades; 40 per cent could not have been prescribed in 1954.

We live in a very fortunate age.

> Expenditures on drugs place almost as heavy a burden on the average Canadian family as paying medical bills. In 1961, for example, expenditure on physicians' services amounted to $383 million—

The Acting Speaker (Mr. Richard): Order. I regret to advise the hon. member that his time has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Richard): Is it the wish of the House that the hon. member shall continue?

Some hon. Members: Agreed.

Mr. Rynard: Mr. Speaker, I want to thank my colleagues for their courtesy. I continue to quote from the Hall Commission Report:

> In 1961, for example, expenditures on physicians' services amounted to $383 million as against $364 million spent on prescribed and non-prescribed drugs. In effect then, drug expendi-

tures are equivalent to 95 per cent of expenditures on physician services. Outlay on prescribed drugs is estimated at approximately $164 million in 1961, equivalent to about 43 per cent of medical services ... Comparing again the period 1953 to 1961, the increases were 115 per cent for physicians' services and 81 per cent for pharmaceutical purchases.

The Hall Commission Report further pointed out that:

One extra day in hospital would cost more than the equivalent of four weeks supply of drugs and dressings.

Hall further concluded that:

Prescribed drugs must be included as a benefit of a comprehensive health care program for Canada.

I think that clinches the argument that we have been very tardy in not covering these people. I always feel that maybe half a loaf is better than none. Hall says this service must cover everybody. I would be happy if it covered those who need it, those who seek help, those in respect of whom it would be economic sense to pay for their drugs. We cannot afford, as a nation, to furnish a doctor and not furnish the rest of the treatment. A doctor sees a patient; he prescribes a life-saving antibiotic, but the patient may not have the money to pay for that drug. Just recently I saw a man who had been told to get certain drugs but could not afford them. Three weeks later he was admitted to hospital, where he is now fighting for his life. The turning point of his illness could come on Tuesday, and I will be phoning then to see what the situation is. It is a very interesting case of a person who could not afford the drugs that were prescribed for him. As a nation, we cannot afford that kind of thing.

Today we have people in white collar jobs still able to work at full capacity because of certain drugs. We have people in labouring jobs who are able to keep on working because of antibiotics, because of the heart medicines and the cardiovascular treatments we have developed. I cite the case of one man working in a factory in the city of Orillia. After he returns from work he has dinner, goes to bed and stays there until the following morning. For the past ten years he has been able to work because he take the medication that was prescribed for him, and rests as much as possible. He stays in bed all day Saturday and Sunday, and on Monday is ready for work again. By gosh, that fellow deserves a break and a pat on the back.

I ask for a display of the quality of mercy. I ask that the recommendations in the Hall Commission Report be implemented. I ask that we complete the treatment. We already pay the doctor, so let us now pay the drug costs of those unable to meet them. If hon. members agree to this it will be a soul-satisfying experience for them, knowing they are doing their duty by supporting a proposal that makes economic sense for the nation.

• (5:30 p.m.)

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I listened compassionately to the eloquent speech of the hon. member for Simcoe North (Mr. Rynard) on the motion he introduced in the House.

[Mr. Rynard.]

He outlined an interesting picture of the present situation of medicine in Canada, and he also dealt with all the problems involved in the technical and scientific development of medicine in 1971.

I am sure that he introduced that motion in the best intentions in the world, which illustrates his concern for the welfare of the less fortunate members of society. However, I must point out that, contrary to what the motion might lead people to believe, the federal government has not yet made any commitment in connection with the payment of drugs used by the poor. And I would have hoped that the hon. member would have taken the trouble to look more closely than he did perhaps at the provisions of the Canada Assistance Plan passed by the House in 1964. As he has often pointed out in his remarks some provinces may not have done their duty as far as the Plan is concerned, or used wisely the subsidies made available to them precisely for the type of services the member for Simcoe North has mentioned.

Once again the constitutional aspect of the health matters must be brought to mind. Must health services in Canada look like an incomprehensible mosaic? The central government must ensure the coordination of all health organizations.

To go back to the motion, it could have been divided into two parts. The first could urge the government to take steps to ensure free drugs to social welfare recipients. The proposal is simply inconceivable, considering that under the Canada Assistance Plan the federal government, as I said earlier, has already made appropriate provisions that do not interfere with the prerogatives of the provinces of which I shall try to give a detailed description.

If the hon. member for Simcoe North had made more thorough research, he would not have included the proposal in his motion. Instead he would have submitted his grievances to provincial governments that did not see fit to take advantage of the generous assistance they can obtain under the Canada Assistance Plan. I insist on this—because it is a vital point—the matter should come under the Canada Assistance Plan. Perhaps the provinces still believe today that it is unadvisable to draw from the apparently inexhaustible federal funds in the health field and in another important one, that is the Canada Assistance Plan, thanks to which those who suffer from poor health and who cannot be covered by another system can receive all kinds of treatments.

In the second part of the motion, it is urgently requested that progressive assistance be granted to persons with limited means who are covered by medicare.

Incidently, I am pleased to see that the hon. member appreciates medicare enough to be willing to extend it to cover the paramedical needs of small wage-earners, and all the more so since the hon. member is a physician. This is auspicious for the medical assistance plan.

I might add, as a member of Parliament and as a doctor, since we have several things in common, that I regret to see him sitting on the other side. Nevertheless, if the hon. member had thought a little more before

drafting his motion, if he had taken care to consider the way through which provincial governments have exercised their right of option under the Medicare plan, including what relates to methods of financing provincial plans, he would have found immediately to what extent this part of his motion is unnecessary since certain provincial plans do not require contributions from the insured. Partial or total assistance is required to pay for these contributions in the case of those insured whose income is low, only in provinces where the payment of contributions is required.

Quebec and the Maritime Provinces, for instance, do not finance their health insurance plans through premiums. I therefore take it that the hon. member was referring only to the situation which prevails in Ontario and was not taking into account the funding system of the other provinces when he drafted his motion. In fact, Ontario does not participate in Medicare: hers is more of a prepaid medical insurance plan and I hope that some day it will be possible to put things in order with regard to the famous OHSIP.

When the government passed the Canada Assistance Act in 1966, it was meant to be an important step in the organization of a complete social assistance scheme designed to complement other income security measures. As everyone knows, the Canada Assistance Plan provides for agreements with the provinces, under which the federal government pays 50 per cent of the costs of assistance granted by the provinces to persons in need.

Under this plan, the federal government agrees to share the costs incurred by the provinces for the care given to needy Canadians, when such expenses are not already covered by other cost-sharing programs, such as the Hospital Insurance and Diagnostic Services Plan established in 1958 and the Medical Care Plan adopted in 1968.

Services which the federal government will recognize under the Canada Assistance Plan are varied and may include nursing, optical, dental, pharmaceutical, orthopedic care and others. The federal government reimburses the provinces and municipalities for 50 per cent of such services. The sharing, if it occurs, of the other 50 per cent of the costs of such services is provided for under a provincial act applicable to a province and to a municipality in this matter.

• (5:40 p.m.)

The only condition imposed on provinces for providing such services under the Canada Assistance Plan is this: those services must be provided according to the needs of the individuals after their financial obligations, their income and their resources have been assessed.

However I must stress the fact that it is entirely up to a province to decide whether the reimbursement of drugs will be included or not in a provincial assistance plan under the Canada Assistance Plan.

I might say also that in a province like Ontario, where municipalities play an important part in providing welfare services, it is up to them to decide whether they will help the interested people to buy drugs.

I think that this is the key to the problem. Provinces and municipalities have forgotten the high cost of drugs, while they were aware of the existence of a fund from which they could draw money in order to pay for half the cost of drugs which were most needed.

As for the problems mentioned by the hon. member, it is certain that if an individual falls ill, he needs medicine because what can a doctor do if it is impossible for him not only to nurse his patient but also to prescribe the necessary drugs to cure him? There again, the provinces, which are very jealous of their juridictions, be able to draw upon funds made available to them.

The Canada Assistance Plan, as someone said a moment ago, recognizes the primacy of the provinces' constitutional responsibility in respect of welfare, by giving them the margin of decision mentioned above as far as the extent of care that provincial assistance plans can guarantee. It does not disregard the daily difficulties which low income families have to face when they must, for instance, pay a high price for drugs. If a provincial government wishes it, it may decree that some families need help in a special field, as that of large purchases of drugs, and if the assistance provided for is based on the assessment of needs, pursuant to the agreement signed by the federal and the interested provincial governments, and as is required by this program, the federal government will reimburse the provincial government 50 per cent of the cost of drugs supplied.

In other words, a provincial government is entitled to include in its financial assistance program the cost of drugs according to an assessment of needs without beneficiaries receiving any other type of social assistance. However, by and large, the provinces usually only supply drugs, under their own social assistance plans, to needy persons already receiving some other form of social assistance.

All the provinces have signed agreements with the federal government under the Canada Assistance Plan. For instance, the Quebec Public Assistance Plan has been recognized by the law on cost-sharing arrangements and temporary agreements. However, I must emphasize that responsibility for the establishment of provincial plans rests with each province. It is assumed that provincial governments are sufficiently aware of the needs of their citizens in this field.

I therefore consider that the federal government is making an ample contribution by undertaking, under the Canada Assistance Plan, to reimburse up to 50 per cent of the cost of drugs that certain individuals may require, based on an assessment of treatment. I would add that it can go no further than this and that it is up to the provinces to make their own decision as to whether they want to avail themselves of the opportunities offered through this federal financial assistance.

Because of the provisions of the Canada Assistance Plan, I have pointed out how they applied to the subject matter which we are now discussing. I believe that the first part of the hon. member's motion to the effect that in the opinion of this House the government should

immediately consider taking action with respect to providing drugs free of charge to those in receipt of social assistance, is entirely justifiable.

Indeed, this is the type of "pharmaceutical" assistance in a general sense which, as I have already mentioned, is made available under the provinces' social assistance plans to whoever receives other forms of assistance. However, the provinces do not avail themselves fully of the opportunity which is theirs under the Canada Assistance Plan, to provide assistance to the less needy which are not eligible to the full assistance allowances and who may need just a little help, as well as to those individuals who generally are self-sufficient but unable to afford significant purchases of drugs.

This is the responsibility that the government was to discharge and has discharged, specifically as regards the motion put forward by the hon. member. There is no doubt that, with respect to the second part of the motion, namely the increase in welfare recipients benefits and payment terms for those covered by Medicare and with limited earnings, we should enact a legislation respecting the establishment of a plan we might call "Pharmacare". In this area, the provinces are on the ball and should pass legislation shortly so that there may be better medical care since, as I said a few moments ago, taking care of patients is fine indeed but without drugs, little can be achieved.

It is regretable that a modern doctor cannot provide his patients with drugs so that their health is not affected.

The hon. member for Simcoe North mentioned the fact that this injustice gives rise to quite a number of problems and I am sure that the provinces will eventually wake up and assist those people who, even though they are not in need, can be considered as "marginal". They have been of service to their country but in the twilight of their life they do not enjoy adequate means of subsistance.

These people must be able to see a doctor, to afford health care and drugs. As pointed out by the hon. member for Simcoe North, senior citizens deserve much because they have been paying taxes and serving our people all their lives long. Some of them have been on the battlegrounds to help preserve our freedom. Indeed, all governments have endeavoured to maintain in this world the freedom we all expect.

We may have, in the long run, to adjust our policies so that, as far as health is concerned, elder people who cannot afford the cost of health care and drugs do not have to suffer from their situation.

We have partially corrected this situation with regard to Medicare and I hope that in the course of future federal-provincial conferences, provincial governments will come up with something constructive with regard to the Pharmacare plan so that every Canadian will be able to enjoy a better way of life and that those persons who have fought for their country will be able to spend the rest of their lives serenely in Canada.

I witnessed too much suffering, I saw too many people at the mercy of money and who could not get the medicine necessary to their survival. Some people died not because of lack of care, but maybe because of the lack of medicine they should have had at the start of their illness.

I am not in favour of the motion proposed by the hon. member for Simcoe North, for the simple reason, as I have said before, that part of the act would be entirely different, as we cannot, according to the Medical Care Act, change anything without consulting the provinces, after which it might be advisable to think about an agency named Pharmacare. As to the first part of the motion, the hon. member knows very well, with his great heart, that he should have stated it before the provincial representatives, who are a little remote from the whole thing at the moment.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in rising to speak on this motion I wish to say how much we appreciated the remarks of the hon. member for Simcoe North (Mr. Rynard). His sincerity, common sense and humanity were never more evident than when he spoke of the very great need of providing free drugs for people on social assistance.

Some hon. Members: Hear, hear!

Mrs. MacInnis: He spoke of cases of human beings in real need about which he knew. Hon. members know only too well what these days, weeks and months of unemployment, inflation and rising living costs have done to erode the incomes of people on old age security and families faced with unemployment trying to get along for an extended period of time.

• (5:50 p.m.)

The hon. member for Hull (Mr. Isabelle) referred to the federal government as being a co-ordinating government. I do not think he can get out from under as easily as that. True, it is a co-ordinating government, but the federal government is a tax collecting government; it collects the big revenues. The hon. member should not be allowed to forget that the Hall report recommended, after careful study, that there should be a medicare system which included provision of prescription drugs. In addition, the Senate Committee on Aging recommended as follows:

> That a nationwide universal health service program be instituted to provide a comprehensive range of services including medical care, dental care, home care, prescription drugs and prosthetic appliances and that if staging is required in the introduction of all or any part of this program, older people be given special consideration.

We are not talking about some mythical time when the provincial governments get together, lay down their arms and say war shall be no more. The need exists now, before these elderly people are taken off this earth by natural events. I do not believe the hon. member who spoke for the government should be complacent about this issue. I wish to quote some figures from my own

province to show how widespread is this problem. British Columbia is not the worst off of the provinces, either; there are provinces whose spokesmen could make an even more desperate case.

In British Columbia today the total number of old age security recipients is 200,368. In British Columbia the only way in which to become eligible for a medical card allowing free prescription drugs is to be in receipt of a provincial supplement. Of the 200,368 people who receive old age security payments in the province, only 14,000 are in possession of a medical card entitling them to free prescription drugs. What about all the other people who are on a frozen $80 basis? They saw the purchasing power of their incomes decline even before the changes of last December.

I have received letters from elderly people who simply cannot afford to buy the drugs they need. I have seen elderly people walk up to counters at which drugs are dispensed in our large stores, inquire about the cost of the drugs they need and then turn sadly away because they could not afford to pay for them.

Answering a question on February 11, the minister of welfare in British Columbia said there are 48,535 people in receipt of social assistance benefits who are classed as unemployed employables. These do not qualify to receive a medical card, and therefore they cannot get prescription drugs free. This is a large figure and behind it stands families who need drugs and who are unable to get them. I do not think Ottawa should be allowed to get from under when the Hall Commission, the Senate Committee on Aging and a great many other inquiries of both a public and private character have made recommendations on lines which would meet this problem.

I have no intention of talking out this resolution. I quarrel with it on only one aspect—the sliding scale. I think the time has come to include these prescriptions under medicare, and in the meantime to give special consideration to the needs of those in receipt of social assistance.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, it appears to me the hon. lady has been preaching to the converted. Her speech might better have been made in the province of British Columbia, which seems to have been failing its people in the implementation of the Canada Assistance Plan.

We were all impressed by the amount of research which the hon. member for Simcoe North (Mr. Rynard) put into the making of his presentation. A lawyer who follows a couple of doctors is somewhat at a disadvantage. All lawyers hold doctors in awe. I was bound to note that both those hon. members seemed to agree that the need existed; the question was only how one could best set about meeting it. I do not think the federal government can be faulted. Notwithstanding the limitations placed upon it, it has been endeavouring to find ways and means of assisting the provinces to do the things they should be doing. I am sorry the hon. member for Vancouver-Kingsway (Mrs. MacInnis) made her stand as

she did. Her representations might have been better made in Vancouver so that the ears of Premier Bennett would have heard it.

In the course of my research I have found that most social assistance recipients are eligible for medical benefits under programs of the provincial or local governments, and these programs are supported by the federal government under the Canada Assistance Plan operating within the purview of the Constitution. Since 1966 the Canada Assistance Plan has provided for the sharing of health costs with the provinces.

The Acting Speaker (Mr. Richard): Order. The hour for the consideration of private members' business having expired, I do now leave the chair. The debate just completed shows once again that hon. members do care.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CONSUMER PACKAGING AND LABELLING ACT

PROVISIONS RESPECTING PROHIBITIONS, LABELS, STANDARDIZATION, INSPECTION, ETC.

The House resumed consideration of Bill C-180, respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mrs. Grace MacInnis (Vancouver-Kingsway) moved motion No. 2:

That Bill C-180, an act respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, be amended by adding immediately after clause 3 the following:

"4. Where the Governor in Council is of the opinion that practices or manner of marking price and quantity of a product on a container are likely to lead to deception of the consumer on the value of the product, on the recommendation of the minister, the Governor in Council may prohibit the sale of such products as may be prescribed unless such products are marked with the unit price in accordance with the regulations."

and by renumbering the clauses following accordingly.

She said: Mr. Speaker, this afternoon I spoke on the amendment moved by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe) and pointed out there were certain phases of this legislation we would definitely support. Even though we might be worried about certain aspects, we felt the legislation was good and should be supported. However, there are other phases in regard to which we do not feel the legislation goes far enough to protect the consumer.

It should be borne in mind that the general purpose of this bill is to protect the consumer from deception in

regard to packaging and labelling of products. As a matter of fact, the minister with great enthusiasm this afternoon said that surely the Canadian consumer was entitled to be protected against such deception. I very firmly believe that the Canadian consumer is entitled to be protected against deception in regard to packaging and labelling, and this the bill will provide in a number of ways. First of all, it gives the minister power to take various steps that will eliminate the undue proliferation of various shapes and sizes of packages, as well as prohibit such gimmicks as "cents off" and the use of peculiar terms like "giant size", "jumbo size", and other deceptive terms leading to false labelling in a number of ways.

We thoroughly agree with such provisions and hope they will be enforced. However, to our mind the bill will not prevent deception in one very important area; that is to say, it will not enable the consumer to avoid being deceived in regard to which package is the best value for the money. In committee we made reference to experiments conducted in the United States with experienced women shoppers who were invited to see whether they could pick from a number of items what in their judgment was the best value for money. These experiments decisively proved over the course of a number of years that the women were deceived in more than half of the choices they made, able and experienced though they were.

In our committee the members of this group conducted an experiment one day which proved precisely the same thing, though on a much smaller scale. We had three products with us, three sizes of the same brand of bottled ketchup, three sizes of Rice Crispies and three packages of Arctic Power. We told the head of the grocery manufacturers association the price of each bottle of ketchup which was printed on the label, the size of each bottle, that is the number of fluid ounces it contained. We then invited him to say which bottle he thought gave the shopper best value for money. He was unable to pass that tests, and said so.

Then we did the same thing with the Rice Crispies. We told him the price on the package and the weight of the contents, but he was unable to say which gave best value for money. Although he did guess the third product correctly, we proved in committee that an experienced and able shopper was unable consistently to determine the best value for money. Without the aid of pencil and paper, computer or slide-rule she was quite unable to determine which product gave best value for money. In other words, she was deceived by a combination of quantity and price. This deception remains in the marketplace, and will still remain after this legislation is passed unless the minister is disposed to change his mind at this eleventh hour and confer a benefit on the consumer by so doing.

There is only one way to prevent this kind of deception, and that is by unit pricing. We should include in the bill the provision that every package must display the price of the package, the total amount of the product in the package and the price per unit, whether it be per pound, per quart, or whatever the relevant unit may be.

[Mrs. MacInnis.]

This does not have to be done, as the minister knows very well, in respect of anything like all the packages on the shelves, but there are certain types of packages where unit pricing is absolutely essential if the consumer is not to be deceived.

• (8:10 p.m.)

We ran into some resistance from people, particularly those in the retail trade, to the idea of unit pricing. Manufacturers were really not opposed in principle to it, but retailers did express opposition. Quite frankly, I felt that their opposition to unit pricing did not contribute to assisting consumers to find the best value in the marketplace. Unit pricing was recommended in the Batten report after a study of grocery prices on the Prairies, as reported in 1968. It was recommended as a very good method to help the consumer. It was also recommended by consumer reports in the United States and it is being tried out in the supermarkets of that country to the south. It is being tried out in at least one grocery chain in Ontario. It is also being used widely across Canada in respect of certain items in supermarkets.

For example, when we buy packages of cheese or meat we find on them the exact weight, the total price and the price per pound. It makes little difference what the shape of the piece of meat under the cellophane is, what the shape of the piece of cheese is or the contents of either, because the unit price is marked there. The consumer is therefore well informed and cannot be deceived as to the value she is receiving for her money.

Why will the minister not accept the principle of unit prices? This afternoon he quoted with great enthusiasm the words of Dr. Jacob Ziegel in respect of another matter. In a moment I intend to quote that same authority to him in another context. I should like to say, first, that the minister's objections to unit pricing seem to boil down to only two. First of all, he was uncertain about the cost of putting unit pricing into effect.

This was the main objection of the retailers when they voiced their opinion; they said it would raise the price of items to the consumer. Let me point out in that regard that no matter what price the consumer is paying for the package. I would be very doubtful whether the additional cost of putting a unit price on the package would come anywhere near the price the consumer pays today as a result of being bamboozled, deceived and completely bewildered by the juggling of prices and quantities. This is the trap she must face when trying to decide the best value.

The minister can determine those products in respect of which it would be beneficial to have unit pricing. This decision would be within the discretion of the minister and would involve only certain lines of products. I believe the consumer would be well advised to pay any additional costs caused by unit pricing, knowing exactly when she is getting the best value instead of going into this blindfolded because she does not have a slide-rule, computer or something else with her. I think this is an objection which can be very readily and sufficiently answered. I am sure it can be thrown out of court easily.

The other objection which I think should be dealt with is that the minister appears to draw a very neat line between manufacturing and retail levels when it comes to unit pricing. When dealing with this matter in committee he suggested that we could not apply unit pricing at the manufacturing level because that would contravene legislation in respect of resale price maintenance. He is quite correct in this statement, but we suggest that unit pricing should be instituted at the retail level. The minister at once says that we cannot do anything at the retail level because that falls within provincial jurisdiction and we cannot interfere through federal legislation.

If this is the fact, the minister is on very shaky and slippery ground in respect of the legislation we are now in the process of passing. Under this legislation his inspectors can go into a retail establishment and hold up the sale of goods which they suspect are not being labelled correctly. They can keep these goods out of circulation until such time as their labels are brought into conformity with the legislation. If the minister claims to be unable under this legislation to deal with the retail trade yet he can deal with the retail trade to the extent of keeping goods from being sold until their labels conform with this legislation, then I maintain the minister could very well take a chance on asking the retail trade to put unit pricing labels on packages where he considers it necessary in order to avoid deceiving the consumer. I think a very good case can be made in this regard.

If the minister is correct in saying he cannot do anything at the retail level because this falls within provincial jurisdiction, what does he mean by introducing the term "dealer" in this legislation and under it defining a manufacturer and a retailer? If a retailer is brought under this legislation, as he is in various contexts, then I maintain that the minister, having this power to interfere with the retailer, also has the power to do so in respect of unit prices.

I now come to my reference to Professor Ziegel whom the minister quoted so enthusiastically this afternoon. In a letter which was addressed to the Standing Committee on Health, Welfare and Social Affairs, dated February 12, 1971, Dr. Ziegel of York University, Osgoode Law School, said this under the heading "Constitutional Aspects of Unit Pricing":

> In giving evidence before your committee on January 14th last, the Honourable Ron Basford left the impression that the federal government lacks the constitutional power to impose unit pricing at the retail level. I do not know the source of the minister's opinion but it seems to me to be open to serious question. I incline to the view that if the present provisions of Bill C-180 are intra vires then a provision empowering the Governor in Council to impose unit price requirements for all or some commodities offered for retail sale to prevent the deception of consumers would also be constitutional.

He goes on to say:

> The criminal law power has been held to justify the federal Food and Drugs Act and, presumably, it is also the basis upon which the federal government would seek to justify much of the other recent federal consumer protection legislation such as the Textile Labelling Act, the Hazardous Products Act and, to a lesser extent, the Motor Vehicles Safety Act.

I would point out to the minister that the foundation of Bill C-180 is the criminal law of Canada. I would also point out that the whole-constitutionality of this bill rests on the criminal law of Canada. The criminal law which the minister is invoking has jurisdiction over deception in all its forms. Deception in all its forms is a criminal offence and therefore is a federal responsibility. If without unit pricing certain types of packages cannot be displayed on the shelves without the deception of the consumer being inherent in their display, then I maintain the minister not only has the authority but also the responsibility to adopt unit pricing as a means of preventing the deception of the consumer.

• (8:20 p.m.)

I think it is just as much the minister's function to protect the consumer in respect of unit pricing as it is to protect the consumer in respect of deceptive sizes, weights, deceptive labelling, and so on. Furthermore, I have a suspicion that if the minister wished to do so he could find ways and means to do this, because he has already found ways and means to do things which Professor Ziegel considers to be on an equal footing. He found ways and means to justify the Hazardous Products Act, the Textile Labelling Act and the Motor Vehicles Safety Act.

Even if the minister should consider it a serious gamble to bring in such legislation, he has taken a similar gamble before. I have not heard that the other legislation in respect of which he has taken the gamble has been questioned. I have no doubt that if its constitutionality should be brought into question, the minister would be the first to gather together a strong battery of legal talent and go after it with all the force of the Department of Justice behind him. I say to the minister that I for one do not share his opinion, and I might add that my opinion is shared by persons other than Professor Ziegel.

I do not think there is any more gamble in bringing in unit prices than there was in respect of many other pieces of legislation. This is in direct line with the other provisions in the bill. If unit pricing is not within the minister's power, then neither is Bill C-180. I wish the minister would get off the fence and let us know whether he is on the side of the consumer or against the consumer in respect of this legislation.

Furthermore, I urge the minister to bring in unit pricing now, and if a case should be brought against it he should be willing to defend it just as he would any other provision in the bill. If, on the other hand, the minister feels he cannot take this gamble—and he has already proven he is a good gambler—I would ask him to be willing to test this legislation before the Supreme Court to see whether or not he could bring in an amendment to the legislation to this effect—because I am convinced such legislation is needed for the protection of the Canadian consumer.

In many ways this legislation is very good. We in this group do not begrudge the minister the wide discretionary powers in this bill, because we have seen legislation the minister has passed which is genuinely useful to the consumer. I should like to see him go further in certain

directions which we will bring in later. But in the meantime I urge him to consider this amendment. In conclusion, I should like to again read the amendment. We are proposing a new clause 4 in Bill C-180, which would read as follows:

> Where the Governor in Council is of the opinion that practices or manner of marking price and quantity of a product on a container are likely to lead to deception of the consumer on the value of the product, on the recommendation of the Minister, the Governor in Council may prohibit the sale of such products as may be prescribed unless such products are marked with the unit price in accordance with the regulations.

This wording is wide open. If the minister should want to try out unit pricing with regard to only a few items which are deceptive beyond any shadow of doubt, let him try it. But I urge him to give himself these discretionary powers so that he will not find it necessary to come back to the House to have them incorporated in this legislation in a relatively short space of time. I urge him to do this so that the bill will provide genuine protection to the consumer in the matter of packaging and labelling.

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to say a few words concerning the amendment brought before the House by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). I believe she is sincere in respect of what she wants to do, but I suggest that what she has in mind is impractical and would be very costly if made operative. She has in mind that if a ten-ounce package of soap, for example, is priced at 50 cents, it should have "5 cents per ounce" written on the container. The best argument I can think of against this is that if this idea were a good one, those who use the marketplace to sell their products would adopt it smartly. If it would sell more goods more quickly and if bigger profits could be captured, those in the marketplace would adopt this suggestion very quickly. So I do not think we need consider putting it in the form of legislation.

I believe, also, we should consider the great cost to the consumer of accepting such an amendment. I can think of the situation where a retailer or dealer might have 50 or 100 cases of an item which he intends to put on the shelf at a reduced price because it is not moving. Then perhaps he would be told that according to this amendment he would have to mark the unit price on each item, and because of this he might decide that it is not worth the trouble. If this legislation were in force, the government inspector could come in and say that the labels were not properly marked and the dealer might decide that rather than going to the trouble of making all the changes, he would not put the item on as a special but would leave it at the regular price. I believe the hon. member has overlooked this practical aspect of her amendment. I would simply say again that if it should be a good thing to do, the people in the marketplace would adopt unit pricing.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to say a few words in support of the amendment of my colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis). The purpose of the amendment is an attempt to establish the basic principle of the unit price.

While we recognize there are circumstances under which this might not be possible, we believe it is important that it be established as a principle by the federal government in a number of different ways, depending on which might be the most practical. Our concern is that the minister accept this principle as being worth while in protecting the consumer.

Questions have been raised about the legality of doing this. It has been suggested that the combines legislation might not permit such pricing. There might be circumstances in which this would be true. I think one of the ways of getting around that problem is to make provision that there be a space set aside on the package for the total price and the price per unit. This would enable the retailer himself to put on the price per unit and would take care of situations wherein the price is different in one establishment as against another. One might argue that the retailer is perfectly capable of doing that now, and this is true.

• (8:30 p.m.)

The importance of what I am suggesting, and the reason I feel it should be done under this legislation, is that it in fact would be an indication from the federal government to everyone at the retail level that we consider this practice to be of major importance and a good move in terms of assisting the consumer. I think such a provision in the legislation, such a position taken by the federal government, would move the retailer more rapidly in the direction of unit pricing than might otherwise be the case.

Surely, if the minister feels that there are circumstances under which he cannot get the legislation through on the basis of insisting on unit pricing at the factory level, I cannot see that he would have any reason to argue against making provision for leaving space on the label of the package for this purpose. The retailer has to stamp the price on the package; this is common practice. He could easily design a stamp—I am sure that if such a stamp has not been designed, it could be done—so that the price of the package would be set on one line and the price per ounce or gram on a lower line. With one stamp he would accomplish both purposes; he would give the total price of the product as well as the unit price. This would go a great distance toward helping the consumer.

I think all of us at one time or another have been confronted by consumers who have explained the difficulty they have in trying to assess what is the best buy and the best value. I am afraid I am not quite as sanguine as the hon. member for Wellington (Mr. Hales) about believing that if the marketplace thought it were good, it would do it. One of the reasons most of us are here is that the marketplace needs some assistance in moving in the right direction from time to time, otherwise we could abdicate all our responsibility to the marketplace.

I do not think the hon. member for Wellington is really saying that his suggestion would be a great help. The bill that we are discussing is obviously an attempt to correct many of the deficiencies that we think exist in the mar-

ketplace. Therefore, I hope that the Minister of Consumer and Corporate Affairs (Mr. Basford), who can occasionally be a reasonable man, will recognize the validity of this amendment and what it is trying to do. It is trying to further consumer education and assist the harassed consumer in making a value judgment which the marketplace more often obscures than enlightens.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have no doubt that unit pricing will one day come into effect in this country. We heard evidence during the exhaustive study of this bill in committee in support of unit pricing. We heard the questions and comments of the hon. member for Vancouver-Kingsway (Mrs. MacInnis), who moved this amendment, and others. We also heard very substantial evidence against unit pricing at this time.

Nobody in his right mind would be against unit pricing per se. It is a very desirable goal, a very worth-while and indeed necessary objective to strive for. But I think from the evidence that we heard during our examination of this bill in committee, including that of the minister who will have responsibility for administering this legislation, I am led to the conclusion, as are the majority of the members of the committee, that unit pricing—as worthwhile and necessary an objective as it may be—is not practical at this time. I shall not go into the constitutional aspect of the question, although it was raised in the committee, but there is one important aspect which I think is worthy of mention.

The hon. member for Waterloo (Mr. Saltsman) said that it would be a very simple matter to provide space on packages for unit pricing. Nobody would disagree with that. If this were the law, manufacturers could comply with it with very little effort and relatively modest additional cost. But the problem arises at the retail level, because the retailer has ultimate responsibility. Bearing in mind the many thousands of items that are handled by supermarkets and grocery retailers in Canada, one can readily grasp how thoroughly impractical it would be at present to force retailers to stamp on each individual item, each can, container or package the unit price of the product. It would be a nightmare for the retailer. One of the objects of the bill is to reduce the proliferation of sizes of packages on the market. If we succeed in doing that we will get much closer to the day when we can have unit pricing in Canada. But until we arrive at that stage, I submit that unit pricing is totally impractical, desirable though it may be.

Indeed, this amendment is very typical of the type that we are used to getting from our friends in the NDP. It is what I would call a "motherhood" amendment, where they place us in the position of speaking against motherhood—in this case motherhood being unit pricing. Everyone in Canada knows that unit pricing is desirable. All of us have had experience at one time or another of going to the supermarket and making the necessary purchases for the family. We have had the problem of wrestling with the price of an article when there is a proliferation of sizes and containers of that item on the supermarket shelf. But to suggest that the average consumer enter a supermarket with a slide-rule and start computing the unit cost of a can of foodstuffs is to my mind not reasonable.

Evidence has been placed before the committee to support the case for unit pricing. I am sure that some of this evidence will be presented to the House, if not in a speech of the hon. member for Vancouver-Kingsway, then in one of the speeches made by her colleagues. Nobody can quarrel with the case put forward on the evidence that has been presented. What I suggest is unit pricing some time in the future, but unit pricing now is not practical. I subscribe to the arguments presented in the committee by the minister, arguments that I am sure he will very eloquently present to this House, showing why it is not practical at this particular time.

• (8:40 p.m.)

Accordingly, Mr. Speaker, desirable though it may be to have unit pricing in Canada, until we arrive at a stage where we can reduce the proliferation of sizes and until we can clear up the confusion that already exists in the minds of consumers with respect to this proliferation, I submit that unit pricing at this time is not practical, and desirable though it may be we cannot support the amendment.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the whole matter concerning this amendment and the question of unit pricing was gone into at very great length in the Standing Committee on Health, Welfare and Social Affairs which examined this bill. I think there were three or four meetings of the committee at which the question of unit pricing came up. I made it clear in the committee and in the House during debate on second reading, that of course in so far as unit pricing made comparability of products easier for the consumer, in so far as it provided the consumer with full and accurate information, both pricewise and otherwise as to the products that the consumer was buying, then unit pricing was a good thing.

It indicated that we in the department and I as the minister had certainly not been unaware of the developments that had been going on in Canada and the United States with regard to studies of unit pricing, their implications, the cost of unit pricing, whether or not in fact they were used by consumers, whether or not in fact consumers took into account the unit pricing of products and what products were suitable for pricing. All of these were experiments conducted in this country and in the United States, of which we were aware and on which we maintained a watching brief, if I may put it that way. We sent officials of the department to observe and participate in studies being conducted in New York by the department of consumer affairs there, and in Washington where one of the leading chains was conducting certain studies.

Our problem here is one we went into very fully in the committee, that in the view of the law officers of the Crown there are some difficulties constitutionally with

regard to the amendment now before the House. The constitutional aspects were discussed at quite some length in the committee. All I can say is that this is a bill put forward with the advice of the law officers of the Crown as a constitutional bill, fully within the valid and proper authority of the federal Parliament and federal government, and I would not want to jeopardize it by an amendment changing the bill which may impugne or bring into question its constitutionality. That would be a disastrous thing to do. I have to take, as does the government, constitutional advice from the law officers of the Crown and not from the hon. member for Vancouver-Kingsway (Mrs. MacInnis). I have all the respect in the world for her, but she is not the person from whom I have to take constitutional advice and legal advice.

May I say, however, that there are in the bill two provisions which I think deal with this question. One is clause 11, which deals with standardization of packaging. Surely to the extent that packages are standardized, to the extent that one becomes comparable with another there is no need for unit pricing. The example I would submit here is that of dairy products which are already sold in standardized packages. For example, butter is sold in quarter-pound, half-pound and one-pound packages. There is no need for unit pricing in the sale of butter. No one needs to see on a package of butter what the price per ounce is, because it is sold by way of standardized packages controlled by regulation.

Clause 11 of the bill also provides that where there is undue proliferation, where there are so many packages that it is confusing to the consumer, we may take action to standardize the number of packages and the size and shape of packages relating to any particular product line. To the extent that packages are standardized pursuant to clause 11, the need for unit pricing covering those products is removed.

The second matter is an amendment made in the committee at my suggestion and my urging. It is the new clause 12 which provides, if I might read it because it was not before the House on second reading:

> The minister may conduct research and studies relating or incidental to the packaging and labelling of any prepackaged product including matters relating or incidental to unit price marking, date and storage marking and the shapes and sizes of containers.
>
> (2) The minister may, in carrying out any research or studies pursuant to subsection (1), consult with or seek the advice of any department or agency of any government, any dealers or any organization of dealers or any organization in Canada of consumers.

So pursuant to that amendment we can carry on research directed toward this question of unit pricing. For example, we can provide the initiative, the impetus and the leadership that the hon. member for Waterloo (Mr. Saltsman) spoke of and which I think is so essential. There are some problems in unit pricing, but there is no reason why leading chain stores in Canada, engaged in the sale of food products, could not themselves voluntarily undertake, both on an experimental basis and as a pilot project, the unit pricing of the products within their chain store outlets.

It seems to me that there are 30 to 40 commonly used food products that compose most of the food dollar of an average Canadian family which could very easily be shown by way of unit pricing by the leading chain stores. In fact this evening, as I did in the committee the other day, I call upon them to engage in a voluntary way in this practice to see the extent to which consumers use it, to see to what extent there are problems associated with it, if any. I say, let the chains engage in this. Certainly under this new clause we will be engaging in studies of unit pricing. We will be calling on the chains, pursuant to our studies, to mark their products by way of unit pricing in order to see how the system works. I say in conclusion on this point that to the extent standardization takes place under clause 11 and to the extent action is taken pursuant to clause 12, I think the amendment before us is unnecessary.

The last comment I want to make deals with one that the hon. member for Vancouver-Kingsway made. I think she was possibly being a little rhetorical at that point in her remarks because she urged me as the minister to get off the fence on the question of consumer protection. I take some offence, some objection to that remark, but I think she was being more rhetorical than anything else. I think my record as minister and the record of the department are such that we have fully demonstrated over the past two years that we have decided which side of the fence we are on.

Here I refer to such things as the Hazardous Products Act, which is the finest consumer product safety legislation in the world, the amendment to the Bills of Exchange Act which came into effect last November 1, and the drugs bill which we put through the House against the strongest and best organized lobby that many in this Parliament had every seen organized. I refer also to the action we are taking against misleading advertising. Both small advertisers and some of the leading companies in Canada have been charged and convicted of misleading advertising for the first time in the history of this country.

I think this kind of record, on behalf of the consumers, by myself and by my department surely answer the question. We know which side of the fence we are on. We are acting, as this bill is designed to act, for the protection of the Canadian consumer. I can only assume that the hon. member for Vancouver-Kingsway was being quite rhetorical in her comment.

Some hon. Members: Hear, hear!

Mr. McCleave: You went so fast we didn't have time to tune up the fiddle to go along with all that.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, this bill is designed to prevent, inhibit and stop any kind of advertising, packaging or labelling that misleads or deceives. There is no argument from any corner of the House about that objective; all parties are in agreement with it.

• (8:50 p.m.)

What the bill says implicitly and what the minister has said is that the consumer has the right to know. The amendment proposed by my colleague the hon. member for Vancouver-Kingsway (Mrs. MacInnis) provides that not only must the consumer have the right to know, but that he or she must have the right to be able to know. That the consumer shall have access to information is implicit in this bill. We wish to rectify what we think is a shortcoming in an otherwise good piece of legislation. The Minister invited members of Parliament to comment, saying that we should not worry very much about those areas in which the bill might go too far.

Mr. Speaker, the hon. member for Vancouver-Kingsway and I, at least, accepted the minister's invitation to worry more about the bill and we are pointing out an area in which this legislation does not go far enough. We have tried to accommodate the minister and we are suggesting an area that we think ought to be included in this legislation, to make it go further than even he might have thought possible.

I think that two areas have been omitted from this bill, one being that the consumer has the right to be able to know. Unit pricing is one of the tools which the consumer can use in order to know the value of what he is buying, on the basis of per ounce, per pound, per package or any other measure by which the product is sold. I admit at the outset that I want to do all I can to calm the fears and fairly mild objections of my good friends and colleagues, the hon. member for Wellington (Mr. Hales) and the hon. member for St. John's East (Mr. McGrath).

We tried to make our point in committee. We are not suggesting for a moment that this amendment would apply to all products. Actually, it would be impossible to apply unit prices to every one of the tens of thousands of commodities found on the shelves of retail outlets in Canada. Nobody is suggesting that the minister shall do this, because the amendment specifically says "the minister may". I have enough confidence even in a member of the Liberal government to take my chances on the good judgment and good sense of a minister of the Crown and his officials in selecting those commodities and products to which unit pricing can easily and quickly be applied, because I think they will do it, if for no other reason, to see how well this provision works and of how much use it will be to Mrs. Jane Consumer.

Just prescribing the size of packages or reducing the number of package sizes by itself will not prevent the deception or the misleading of the consumer. Those, in part, are objectives that the minister says he wishes to achieve. For that reason we plead with the minister to accept a provision in the bill saying that unit prices may be applied by the minister on any one or more of a given number of products that he and his officials may select, once products have been standardized in terms of packages or the quantities in each package.

Prices in themselves can still mislead consumers, either deliberately or accidentally. For instance, say a uniform package size for 20 ounces of anything is brought in: if the marked price is 97 cents, Mrs. Jane Consumer will immediately have to compute the price of the product per ounce. As I said, standardization of containers will not solve the problem, no matter if different manufacturers use the same size of containers, because consumers would still need to compare the prices of similar products put out by different manufacturers if the prices for products in similar sized containers varied. Without a unit price there is no basis for comparing prices for the same product in containers of different sizes. For instances, is the large size cheaper than the medium size, or is the medium size cheaper than the small size?

I wish to cite an example to illustrate my point. I should like the permission of the House to have appended to *Hansard* a table. I will not take the time of the House in reading it. I do not know what procedure I ought to follow, but I should like to have this table included with my remarks in *Hansard*. May I ask permission of the House to do that?

The Acting Speaker (Mr. Richard): Order, please. I regret to advise the hon. member that it is not the practice of the House to do so. I ask for the assistance of hon. members. Perhaps if the table is identified, hon. members can give their unanimous consent to having it included; or the hon. member could read it as part of his speech. In any event, the hon. member will need the consent of the House to implement his suggestion.

Mr. McGrath: Mr. Speaker, I think your suggestion is very worth while. Perhaps the hon. member ought to identify the table which he wishes to read, so that we will not be setting a precedent.

The Acting Speaker (Mr. Richard): There will also be difficulties for the translators, and so on. Unless the table is overly long, I suggest the hon. member might read it and identify it; otherwise his action will give rise to a precedent—although I hasten to add that this would not be the first time that I have departed from precedent.

Mr. Benjamin: Mr. Speaker, I do not want to read the whole table to the House. I am quite prepared to identify it.

Mr. McGrath: On a point of order, Mr. Speaker, if it would expedite the business of the House—we are concerned about this bill because it has been outstanding a long time—perhaps the hon. member could read one line from the table and, having identified it, say that the rest of the table covers others sizes.

Mr. Francis: Mr. Speaker, I think it would be highly advisable to follow the hon. member's suggestion. Perhaps we ought to have an indication of what the table includes. I understand it is not customary in the House to table material of this nature, and if we did so we might set a precedent which would not be in line with our previous practice.

The Acting Speaker (Mr. Richard): It would not be out of order if the hon. member were to identify the table and read whatever he thinks is necessary from it.

Mr. Benjamin: Thank you, Mr. Speaker. I am trying to bring forward evidence to support the case that standardizing packages by itself will not be sufficient in providing the consumer with information to which he has a right. He must also have the right of being able to know. I have a table of prices taken at Shoppers City on Wednesday, February 24, 1971. The table illustrates sizes of cans of beans. The example refers to 4½-ounce, 8-ounce, 14-ounce, 19-ounce, 28-ounce and 48-ounce sizes and gives marked prices as well as unit prices for Clark's canned beans. Similarly, it illustrates marked prices and unit prices for Libby's canned baked beans.

Mr. Speaker, all per unit prices of Libby's beans are higher than Clark's, except the 28-ounce size which, significantly, is cheaper per unit than almost all other sizes. In addition, the 19-ounce size of Clark's beans, which was on special for 22 cents, or 1.16 cents per ounce, is dangerously close to the price of the 28-ounce can of Libby's beans, which is priced at 33 cents, or 1.18 cents per ounce. The combination of prices and sizes given in the example, which is part of the table that I hope will be included in *Hansard,* shows how difficult it is for the consumer to compare prices. The example includes only two of several different brands that are available. Surely this example is a prime candidate for unit prices.

• (9:00 p.m.)

As I said earlier, we do not ask nor suggest—neither does the amendment suggest that the minister would have to immediately go out and require by regulation that every retailer put the unit price on every product on his shelves. Of course he would not do that. In fact, if this provision were in the legislation it would be up to the minister to decide whether to use it. If he did decide to use it in the case of even one product, he would do this in consultation and with the consent of the manufacturer or producer of that product. This would be done for no other reason than to determine whether it would improve the sale of that product, whether it was of use to the consumer and, more important, whether it was constitutional.

I believed the minister, as did the hon. member for Vancouver-Kingsway, when he stated to the committee that he was as much in favour and sympathy with unit prices as anyone else. I accepted and believed that. He may think the hon. member for Vancouver-Kingsway was using rhetoric. He may think I am also doing that. I do not care. It is about time the minister started acting instead of just talking. If unit prices are unconstitutional, then this whole damn piece of legislation is unconstitutional. Under the definition of "dealer" retailers are included. They are totally under provincial jurisdiction. To suggest that the minister can order an inspection of retailers' labels and packages, have jurisdiction over them and not be able to inspect them for unit prices just does not wash.

In his remarks the minister quoted Professor Ziegel as an authority. Surely we can safely assume that Professor Ziegel is also an authority on prices, whether at the manufacturer, wholesaler or retail level. I wish to quote from Professor Ziegel's letter of February 12. The minister has a copy of it. I quote as follows:

> In giving evidence before your committee on January 14th last, the Honourable Ron Basford left the impression that the federal government lacks the constitutional power to impose unit pricing at the retail level.

He continues:

> While I can see the significance of the difference in the context of anti-combines legislation I have some difficulty in following the distinction from the constitutional point of view.

Later in his letter he says:

> It might be relevant if the federal government sought to rest its jurisdiction on the trade and commerce power in section 91(2) of the B.N.A. Act but, to the best of my knowledge, the distinction has never been applied with respect to the exercise of the criminal law power under section 91(27) or the weights and measures power. In any event, the minister is mistaken in suggesting that Bill C-180 only applies to manufacturers and wholesalers since the bill applies to a "dealer" and dealer is defined in section 2(d) as including a person who is a retailer.

We contend that the minister's worries about the constitutional aspects of this amendment are unjustified and unfounded. They have been refuted by constitutional and legal experts who have a reputation in this field. I do not pretend to have such a reputation. I quote the experts in support of my request to the minister to accept this amendment.

The hon. member for Wellington was worried about the manufacturers, processors, wholesalers and retailers who would have a lot of work and trouble marking packages. I accept the hon. member's genuine concern about the problems that a manufacturer, processor and, particularly, a retailer might have if it were necessary to mark every package. However, as I said at the outset, the amendment does not ask, nor do we suggest that every product be amenable to unit pricing, nor is it necessary to have unit pricing on every package. I wish the hon. member for Wellington would quit having such unfounded worries about the wholesaler and retailer and would worry more about the consumer.

Some hon. Members: Hear, hear!

Mr. Benjamin: If it can be shown to be profitable to put unit prices on selected products, which the minister can insist on under the regulations of this bill, the wholesalers and retailers will do it. They will do it if it is profitable or if it makes the consumer feel more kindly toward them. Retailers have to mark every product that now goes on their shelves. All they would need is a little larger rubber stamp. They already spend many hours during the night marking every package and can that goes on the shelves. To suggest that it would be impossible to mark the unit price on each package or can on the shelves just does not wash.

Some products lend themselves to unit prices, some do not. In consultation with the manufacturers, the minister and his officials could select those products which are amenable to unit pricing. The constitutional argument is not credible. Those who want to act like Arab sheiks in their own little province or region say it is unconstitu-

tional or constitutes interference. Many other aspects of this bill could in fact fall into the same category.

One of the minister's colleagues said in committee that he would like to argue with the minister about the constitutionality of the bill. Under the provisions of the BNA Act the minister can accept this amendment. At his discretion, with the Governor in Council he could select products that were able to be unit priced in order to give the consumer the right to know the value per ounce or pound that he is getting for his money. Whether it be canned peas, ketchup or anything else, once containers are standardized, proliferation is prevented and there is uniformity of the number of ounces or other form of measurement for a container, prices can still be used to deceive. Commodities can be priced at two for 79 cents, four for 86 cents or any other screwball amount that a retailer or advertiser may choose in order to persuade people to buy a product, not because of value per ounce but because they give the impression that they represent greater value per ounce or pound.

There was a great deal of discussion in the committee and since about the validity of attempting this in this bill. I believe the minister would like to have this provision in this bill and use it on occasion. The minister seems to profess that what his department is doing leads all countries of the world. If he really means that, he will accept this amendment; he will try it with one or more products that he, his officials, the manufacturers—and processors have discussed and agreed upon as test cases.

• (9:10 p.m.)

If the minister continues to suggest that if he accepts the amendment and the courts throw it out, this would throw out all his legislation, he should have thought twice about bringing in this legislation in the first place. I do not believe this is the case. The minister should want to find out. If he does not want to find out, it is time he changed his mind, because I cannot follow the logic of his argument.

If this amendment is accepted by the government, and the courts after the test case throw it out, it seems to me the minister has lost no ground; he has the rest of the legislation to use for the benefit of consumers. If the courts throw out the whole bill on constitutional grounds, the minister cannot expect anyone in the House to believe that this one, little amendment would make the bill unconstitutional. Even an ignorant Prairie boy like me, who has spent most of his life jumping through the stubble is not going to believe that.

Mr. Deputy Speaker: Order. I apologize for interrupting the hon. member, but I must do so to advise him that his time has expired.

Mr. Knowles (Winnipeg North Centre): He is just a poor, ignorant Prairie boy! Let him go on.

An hon. Member: Jumping over the stubble.

Some hon. Members: No.

Mr. Deputy Speaker: Is the House ready for the question? All those in favor will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those against will please say nay.

Some hon. Members : Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the motion No. 2 stands deferred.

The next motion for the House to consider is motion No. 3 in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) as follows:

That Bill C-180, an act respecting the packaging, labelling, sale and importation and advertising of prepackaged and certain other products, be amended by adding immediately after clause (9) the following:

"10. No dealer shall sell, import or advertise any product that has not been stored or maintained in accordance with the labels required pursuant to subparagraph (iv) of section 11."

Mrs. MacInnis: On a point of order, Mr. Speaker, may I draw to your attention the fact that I believe you read the wrong amendment? We have two amendments, the first one and then the second one which you read. I do not know whether the House would wish to take the two together or not.

Mr. McGrath: On the point of order, it seems to me that amendment No. 3 is automatically ruled out by the fact that amendment No. 2 was negatived upon division. It is a consequential amendment.

Mr. Knowles (Winnipeg North Centre): But amendment No. 2 has not yet been voted upon.

Mr. McGrath: I apologize. We have not voted upon amendment No. 2.

Mr. Deputy Speaker: The division on amendment No. 2 was deferred under the appropriate Standing Order. I apologize to the hon. member for Vancouver-Kingsway; I did not follow her point of order.

Mrs. MacInnis: I wanted to draw attention to the fact that Your Honour read the wrong amendment. The amendment which should now be discussed is as follows:

That Bill C-180, an act respecting the packaging, labelling, sale and advertising of prepackaged and certain other products, be amended by adding immediately after subparagraph (ii) of subclause (b) of clause 10 the following—

That is amendment No. 4.

Mr. Deputy Speaker: Is the hon. member suggesting that the amendment now before the House should be deferred for consideration later? My understanding is that the amendment the House now has under consideration would logically follow the amendment the vote on

which was just deferred and would come before the one mentioned by the hon. member.

Mr. Basford: Your Honour, it appears to me that these two amendments are closely related. Perhaps the House would agree to deal with both of them together.

Mrs. MacInnis: Would it be in accordance with the wish of the House that we discuss the two amendments together? They stand or fall together. It would save a good deal of time.

Mr. Deputy Speaker: If the House is agreeable, amendments Nos. 3 and 4 will be debated together, and if a vote is required the two amendments will be voted on in the one vote. Is that the understanding?

Some hon. Members: Agreed.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, the purpose of the first amendment is to empower the minister to require that the conditions of storage and maintenance of certain products be printed on the package along with the dates upon which they might not be sold for consumption or should not be used. The purpose of the second amendment is to prohibit dealers from not following the instructions the minister has required to be placed on the labels. The basic argument for doing this is obvious. Many stores do not enjoy good inventory management, so some products remain on the shelves beyond their useful or safe life. Perishable products come into this category, and I understand that certain photographic products have a limited useful life.

This provision is to make sure that the consumer has the right to receive certain goods in proper condition. We heard a lot of evidence on this aspect in committee. I was particularly impressed by the evidence given in connection with frozen foods. You can buy frozen foods in a store. We were told by some of the manufacturers that although there are regulations making them keep the temperature at a certain figure, there is nothing to compel retail establishments to ensure that safe temperatures are maintained.

Many housewives have not much notion of what temperatures they should maintain when they get frozen articles home; they do not know whether they should keep them in the freezer compartment of the refrigerator or whether it is sufficient to keep them in the ordinary compartments. We think it is important that when frozen or perishable foods reach the store the consumer knows that they have been kept at safe temperatures and that they have been stored in the proper manner.

Some time ago, the minister will remember, there was an incident in Vancouver involving frozen chickens. There was every evidence that these chickens had been allowed to thaw out in the store and had then been refrozen. This is a very dangerous practice, quite apart from the aesthetic value of the product when you buy it, and housewives are justified in their concern.

• (9:20 p.m.)

We feel that regulations should be passed providing that there be printed on the product the date beyond which the product should not be sold, as well as showing at what temperature the product should be stored in order to keep it in good condition. We were told by one consumers' association representative from the province of Quebec that certain seals that change colour when temperature is lowered beyond the safe point can be affixed to such products.

I know the minister is of the view that the amendment he made in committee looks after this matter. The minister added the word "age" to clause 10 (b)(iii) in the belief that this looked after the problem. However, in our view it does no such thing. As the bill now stands, even though a product had been in a store longer than the date on the package, a dealer could still sell it in spite of the provision in clause 10 (b)(iii). I suggest what we need is not tokenism of this kind but genuine protection.

I have no desire to make a long speech on this amendment. May I simply say that my colleague from Regina-Lake Centre (Mr. Benjamin) brought to the attention of the committee the fact that in Manitoba consumers are greatly concerned about this problem, as they are in British Columbia. In a day when so many foodstuffs are perishable we feel it is very important they should bear some sort of expiry date beyond which they should not be sold. Of course, if they were stamped with the date they were sent from the factory, everybody would rush to buy the freshest product, which would mean the other products in stock would not be sold. But so long as our consumers know that the product is within the expiry date on the package they will have no worries of this kind.

Some members of the official opposition said that they thought this sort of thing was overprotecting the consumer. I do not believe that is so. I believe the consumer has the right to know the exact state and condition of the goods she purchases from the store. She has the right to know that it has been stored in a proper manner, and she has the right to be told how to store it at home until the decides to serve the product to her family. Therefore, Mr. Speaker, I suggest we accept both of these amendments.

Mr. Basford: Mr. Speaker, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) has said what I wanted to say, but I disagree with her conclusions. I think the question of age labelling and date stamping of perishable foodstuffs is an important one, but in my view it is already covered by clause 10 of the bill as originally drawn. However, in order to put to rest any difficulty in interpretation that there may have been, as a result of representations from the province of Manitoba that age dating and date coding be covered in the bill we moved an amendment in the committee to clause 10. The pertinent part of the clause reads as follows:

> Each label containing a declaration of net quantity of the prepackaged product to which it is applied shall . . .
>
> (b) in such form and manner and in such circumstances as may be prescribed show . . .

(iii) such information respecting the nature, quality, age, size, material content, composition, geographic origin, performance, use or method of manufacture or production of the prepackaged product as may be prescribed.

It is my view that whatever is properly required to be done in line with the suggestions that have been made about date stamping, age stamping, care labelling and storage labelling, if it is within the purview of this act, can be done in accordance with clause 10 (b)(iii) which refers to the nature of the goods, the quality of the goods, the age of the goods, the material content, performance, use or method of manufacture or production. In my view this covers completely and adequately all information that is required to be on the label and which would be useful to consumers in relation to age or care of the product.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: It was agreed that motions Nos. 3 and 4 would be debated together. Perhaps for the record the Chair should put motion No. 4 which I neglected to do at the time of the agreement. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) moves motion No. 4:

That Bill C-180, an act respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, be amended by adding immediately after sub-paragraph (iii) of sub-clause (b) of clause 10 the following:

"(iv) the date beyond which the prepackaged product should not be used or may not be sold for consumption and such information respecting the conditions required for storage and maintenance, including temperature, as may be prescribed."

It is the understanding of the Chair that it was agreed that motions Nos. 3 and 4 would be put together on the one vote and that motion No. 4 would follow motion No. 3 as to the result. If that is the understanding, I will put the question to the House. All those in favour of motion No. 3 will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75 (11), a recorded division on motions Nos. 3 and 4 stands deferred.

Mr. Les Benjamin (Regina-Lake Centre) moved:

That Bill C-180, an act respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, be amended by adding immediately after sub-clause 2 of clause 11 the following:

"(3) Where the Governor in Council is of the opinion that the quantity of product in a container is an amount, by virtue of it be a fractional quantity or an odd number or any other reason, that is likely to contribute to the deception of the consumer as to the value of the product, the Governor in Council may on the recommendation of the minister make regulations respecting the quantity of product that may be placed in a container."

He said: Mr. Speaker, whether or not the minister has a change of heart and decides, even though he may be alone on his side, to support motion No. 2, it seems to me that motion No. 5 is a useful and necessary one. The purpose of the amendment is to give the minister power to require that the quantity of a product in a container be a simple amount, so that simple people like me in a shopping centre can readily compute the cost of an ounce. The number of ounces should be readily divisible by the price, the price by the ounces, or whatever the measure is. As the bill now stands, the minister may limit the number of different sized containers the industry uses for a similar product but he cannot specify the exact size of the containers or the quantity the containers may contain.

• (9:30 p.m.)

As a result, toothpaste manufacturers—this is probably the most horrendous example—can have three sizes, small, medium and large. They can have small, regular or family sizes. But I defy the minister or anybody else to figure out what these sizes mean. In conformity with the measure before us, these companies will be allowed to sell containers containing amounts such as $2\frac{3}{8}$ grams or ounces, 5-3/18 grams or ounces or 9-7/32 grams or ounces. As long as manufacturers use the same sized tubes they will satisfy the provisions of the bill. If the minister allows small, regular, family, giant, large or economy—whatever handles the manufacturers put on them—as standard sizes, the manufacturers will put screwball amounts in them and not even consumers of the highest intellect will be able to stand in front of a shelf and decide what is the best value per ounce or gram, per tube or anything else.

All we are suggesting in this amendment is that in addition to the authority the minister will have under the bill to prevent proliferation of size, the kinds of containers or the advertising that is put on labels, such as giant, economy, new, or new-new—it would not matter if it were New Democratic if they used the term in that sense —he shall have authority to specify quantities, in the various numbers and sizes of containers, which are easily divisible by the price, or vice versa.

According to some witnesses who appeared before the committee there is technical constraint on the number of products and the amounts that may go into a package. Witnesses on behalf of the manufacturers and others suggested this is the fact. They suggested that one would have to turn the spigot off a little sooner or a little later in order to get a measurable amount of product into a package or container. I cannot conceive of one product that could not be put into a package or container in an amount that would suit the best interests of the consumer, although perhaps not the best interest of the manufacturer or packager.

Surely there is no other reason for these screwball sizes, weights and measures of products in containers and packages than to deceive the consumer. When the minister indicates that he does not want authority in the legislation to prevent this happening, he negates some of the fine purposes and objectives he outlined in the committee and again today. This type of thing undoubtedly results in manufacturers smuggling price increases through by reducing the quantity by imperceptible amounts. In this way they make it impossible for the consumer to determine the value that he is getting for his money. Surely the minister, before anyone in this House, would want to put a stop to this practice. The committee dealt with this matter and we tried as hard as we could to persuade the minister. He sounded encouraging for a while.

For a few minutes let me review some of the things stated at the committee hearings. We made the point in our efforts to persuade the minister that provision should be made for unit pricing. We all recognized that even if we had unit pricing it could not be applied to all products. No one suggests that this could be done. Many products, packages and containers are not suitable for this kind of action. In order to take care of products and packages not suitable for unit pricing, we submitted then, as we submit now, that the minister should be given authority in the bill to regulate the amounts which go into containers and packages. I have in mind amounts that are comprehensible and easily divided into or by the price. The minister requires this kind of amendment in conjunction with unit pricing. There is nothing mandatory in the amendment; it leaves the minister with discretion to make such regulations.

I fully expect that the minister will meet with consumer and manufacturing associations as well as the producers and packagers of various products. In the majority of cases I suspect that they would agree upon the products which the minister should proclaim as being subject to regulation through the Governor in Council. With this kind of authority the minister does not need to use a big stick; he would receive that co-operation and help which is long overdue.

The president of the Canadian Manufacturers' Association, when testifying before the committee had the unmitigated gall to tell the minister to his face that his association had infinitely more knowledge of what the consumer wants than the minister, his government or Parliament. That suggestion, if nothing else, should have obtained some reaction from the minister. I was going to suggest it should have raised the hair on the back of his neck, but I will forget about that suggestion and forget about it as it applies to me. This is the kind of arrogant attitude taken by the manufacturers who place their products in packages and tubes in cornball amounts. For this reason it seems to me that the minister should almost be on his knees begging his colleagues to accept this amendment.

I have tried to be lighthearted in the way I have presented my argument, but I am not lighthearted in the seriousness with which I approach it. We cannot see anything in the present legislation which would allow the minister to prevent the kind of things that happen in respect of tubes of toothpaste, breakfast cereals, detergents and other goods. It seems peculiar to us that when one is buying Kellogg's Rice Crispies the three sizes contain 9 ounces, 13 ounces or 17 ounces. It is very strange that each size is one ounce more than half a pound, three-quarters of a pound and one pound. Can this be for any other reason than to deceive the consumer? Is it for no other reason than to make it almost impossible for Mrs. Jane Consumer to divide the number of ounces into the price and arrive at the value per ounce? There can be no reason for these quantities being put into packages other than to deceive and mislead.

• (9:40 p.m.)

Surely the minister most of all, if he wants to put his action where his mouth is, will want to accept this amendment. I know he has reiterated the constitutional argument put up in the committee. Surely that argument has been shot down in flames long before this. I ask the minister to reconsider this question and accept the amendment, if for no other reason than to jar some of the bureaucrats, particularly in the Department of Justice or a better reason to try to co-operate and consult with the consumers and manufacturers in respect of putting on the shelves of stores packages containing quantities which are comprehensible to Mrs. Jane Consumer.

Mr. Basford: Mr. Speaker, this really is the same discussion we had a little while ago on motion No. 2 in respect to adding a new clause 4. The same considerations and arguments apply to motion No. 5 as apply to motion No. 2. In so far as the last part of this amendment deals with the quantity in a package, it would seem to me the question of functional and non-functional slack fill, as it is called in the trade, is completely dealt with in clause 9 of the bill which provides:

> No dealer shall sell, import into Canada or advertise any prepackaged product that is packaged in a container that has been manufactured, constructed or filled, or that is displayed in such a manner that a consumer might reasonably be misled with respect to the quality or quantity of the product.

So in so far as it is a question of a huge package only partially filled with a product, and therefore deceptive because people would think that from its size they were getting a larger quantity than they are, surely that is dealt with by clause 9. In so far as the amendment deals with the unit price, it would seem to me we discussed that matter earlier tonight, and so far as it can be dealt with under this legislation it is dealt with in clause 11 which was in the bill to begin with, and in clause 12 which was introduced during the committee hearings. Therefore, it seems to me this amendment should be defeated.

Mr. James A. McGrath (St. John's East): Mr. Speaker, there is a case to be made for the amendment moved by my hon. friend the member for Regina-Lake Centre (Mr. Benjamin). I should add, however, that in our view, as

the minister has just said, this question is very clearly covered in clause 9 of the bill. We do not want to take up the time of the House in dealing with amendments which are superfluous and do nothing to improve the legislation. As the minister has said, this matter is covered very clearly in clause 9. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) may say something to contradict that and contribute new argument.

However, there is no doubt there is a case to be made for the substance of the amendment moved by the hon. member. During the course of his remarks he referred to misleading and confusing sizes and mentioned toothpaste as a very graphic example. This was illustrated in the evidence presented to the committee. He also referred to the container sizes of cereals. The evidence to support the need for regulation in this area stems from the complete confusion which exists in the minds of consumers as a consequence of the terms used in advertising products in Canada. For example, in relation to toothpaste we now have regular size, giant size, family size, super size, and so on. The same thing applies to the packaging of cereals and the packaging of detergents, just to mention two others. I am sure other examples could be brought to mind.

However, Mr. Speaker, I believe the case is very clearly covered by clause 9 and I do not think it would improve the legislation in any way if the House were to accept this amendment. Consequently, even though we support the principle, we regret we are unable to support the substance of the amendment.

Mrs. MacInnis: Mr. Speaker, when I mentioned a few moments ago perishable products, I did not have in mind red herrings. When the minister spoke about slack fill in connection with the proposal of my colleague from Regina-Lake Centre (Mr. Benjamin) this is exactly what he was producing, a red herring without regard to age, temperature, storage, condition or anything else, because what my colleague had to say did not have anything to do with slack fill. He was proposing a way in which to cut down on these weird sizes. It should be just as easy to make a package which would contain 16 ounces as one which would contain 17 ounces. There would still be a problem in respect of slack fill in either case.

What my colleague is proposing is that since we now have the ordinary Canadian units of measurement and are now getting ready for the metric system, we should either produce packages in multiples of inches or ounces or get ready to produce them in units of the metric system and not produce cans of 17 ounces or 19 ounces. I believe the case for the amendment has been made. I think the consumers' association is very much aware of the need for having standard packages without the use of fractional weights.

I should like to conclude tonight by referring to a letter from a correspondent in Vanier City. I believe my colleague from Regina-Lake Centre mentioned the need to consider the problems and ideas of Jane Canuck. I realize that Jane Canuck is not in this House tonight in the numbers she should be. However, I have this letter from one Jane Canuck in Vanier City and I think it might help the minister understand what my colleague has in mind in respect of his amendment if I read it. She says:

> One aspect that dœsn't seem to have been touched on is the matter of convenience. When following a recipe that calls for one standard pound of a food, it's a bit unnerving to find that your container has only 12 or 14 ozs. To make up the difference you would have to buy a second one, or alter every other ingredient (for instance, 12/16—or 3/4 of an egg!). I'm sure you get the picture!

We have heard from some members of the official opposition about the convenience of manufacturers. We have heard about the marketplace and that these things would be done by the dealers in the marketplace if they found it profitable to do so. But I believe my friend from Vanier City is correct and that there has not been too much said about the convenience or even the sanity of the consumer in trying to decipher these odd sizes. This lady baked a cake and presumably found that when the recipe called for a standard pound of some ingredient she had a package that contained only 12 ounces or 14 ounces of the ingredient. So she did not know whether she should get a second full pound package or try to divide the egg or whatever else was called for.

• (9:50 p.m.)

I think it is time we began to consider our legislation from the standpoint of the convenience of the consumer who has to go out to the market, buy the products, bring them home, store them and prepare them for the family. The sooner we get a few more Jane Canucks in the House, the sooner we shall get a little more intelligence on the part of John Canucks who have not had to wrestle with these problems.

The amendment of my colleague arises directly from the situation that this woman in Vanier City is envisaging. We should stop our traditional thinking as to whether or not it will be handy for the manufacturers to make alterations. We should start thinking about the needs of consumers. The consumers of this country have just begun to find their voice. It is a little timid and squeaky as yet, but we can encourage the minister to speak up more strongly for their needs. He has made a pretty fair start, but he is timorous and he needs encouragement. Let him take another look at this amendment, which is really an excellent one and would do much to help the consumer recognize deceptive packaging when she sees it.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I want to make a brief comment on the amendment proposed by the hon. member for Regina-Lake Centre (Mr. Benjamin). I think that perhaps the political environment in which he lives brings into suspicion everything that is done by manufacturers and makes him suspect that it is done with malice aforethought; that these odd numbers of ounces in cornflakes, for example, such as 9, 13 and 17, are there to confuse and confound the housewife so that unfair advantage can be taken of her in some mysterious way.

I do not think it is anything as malicious as that. I think it is probably just a tradition. It may be that the original Mr. Kellogg who invented cornflakes was a baker, and to be generous he threw in an extra ounce with every half-pound, three-quarter pound and pound of cornflakes, the same as it had been their tradition to throw in an extra bun with a dozen to make it a baker's dozen. Nevertheless, I think it is reasonable that container sizes should be not only in round figures, eliminating fractions, but that amounts should be easily divisible by two, three and five. Therefore, I think that the amendment of the hon. member for Regina-Lake Centre has some merit.

Mr. Mark Rose (Fraser Valley West): I wonder if the hon. member for Malpeque (Mr. MacLean) would answer a question. I was interested in the hon. member's suggestion that the baker's dozen prevails in the case of Kellogg's cornflakes. I was in Prince Edward Island a year ago and I am wondering if the same thing would apply to Malpeque oysters which one buys in Charlottetown.

Mr. MacLean: Yes, I think it would, in the case of the hon. member.

Mr. A. D. Hales (Wellington): Mr. Speaker, there are many commendable features in this amendment, but I think the minister summed it up very well when he said that clause 9 takes good care of this point. For that reason I would not support the amendment. But I would like to refute some things that have been said tonight. I think that my good friends to the left are overlooking one thing. I would like them to think about the fact that by stopping the abuses, a very small number of them, we may kill the free market. I think it would be a sad situation if the free market were killed by our introducing legislation just to take care of a few abuses. My friend, the hon. member for Regina-Lake Centre (Mr. Benjamin), wants to standardize packages in his amendment.

Mr. Benjamin: No quantities.

Mr. Hales: Yes, quantities and packages. If you want to do this, the manufacturer and the processor will tell you, as they told us in committee that you must be prepared to pay more for the product. So this piece of legislation will cost Mrs. Consumer more money all along the line. I put the following question to every processor that appeared before the committee: If you bring in a standardized package and you do what the legislation calls for, will it cost the consumer more money? In every case the answer was yes. So with all the window-dressing and great noise about this legislation, it will cost Mrs. Consumer more money; there is no doubt about it.

Let us say that a box is 8½ inches by 2¾ inches by 12½ inches. That is a standard box. Let us say that you put cornflakes in one box, grape nuts in another and puffed wheat in the third. You will then have 16 ounces of cornflakes, 3 pounds 15 ounces of grape nuts and 9 ounces of puffed wheat. So you will have a greater proliferation of fractional weights than we have now. If you put 12 ounces of each of these products in a package you will have three sizes of boxes, one that will be very small, another medium and the third a tall one. So the density of the product which goes into a standard box creates a real problem and a proliferation of odd ounces. It will add to the cost, because when a cereal manufacturer has a packaging machine which can run three boxes through, the small, the medium and the large, and he runs the cornflakes through, this is one operation; but if you want the boxes to be standardized, as this amendment proposes—

Mr. Deputy Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—BANKRUPTCY—MEASURES TO FORESTALL FURTHER BUSINESS FAILURES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on February 3, which now seems a long time ago, I asked the Minister of Finance (Mr. Benson) about the very depressing statistics released by Dun and Bradstreet a short time earlier. The Canadian Press, in the *Journal Pioneer* of January 30, set out in some detail the further chapter in what is becoming a familiar economic threnody in this country. It reads as follows:

MANY BUSINESSES FAIL

More than 2,200 businesses failed in Canada during 1970 compared with 1,861 the year before, a recent survey shows.

• (10:00 p.m.)

Dun and Bradstreet of Canada Ltd., Toronto, said Quebec led with 1,155 failures compared with 944 a year earlier.

Liabilities totalled $264,894,000 compared with $145,701,000 in 1969.

In Ontario, there were 797 failures compared with 618 a year earlier.

On these dismal and dreary statistics there seems to be no device whereby seasonal adjustment can be integrated. It is sad to relate that so many visionary aspects of the once proudly hailed just society emerged as dreary, dark realities. With an unemployment rate growing to painful and disgraceful proportions we have a blighting of economic opportunities for our young people in and out of university. Further takeovers of Canadian businesses both at home and abroad, now that Guyana has closed in on one of our important business establishments without much more than a slight flickering eyebrow from the Canadian government, are situations which should cause us concern.

Slump, decline, pessimism are too often the hallmarks of our present economic state. Not surprising then, sir, that cold, hard statistics like those just quoted give the dimensions of the economic mess created by a government

whose judgment on fiscal matters has been proven profoundly wrong and painfully inadequate. I invite the parliamentary secretary or whoever will be responding to me to reflect carefully, coldly and thoughtfully upon these statistics which I regard, and which most thoughtful economists and businessmen regard, as yet another indicator that all is not well in this land.

More than that, I ask him and the party now in power to use what influence he and they have upon the government to re-think, to readjust and sensibly and sensitively to react to the many warnings of greater ills yet to come, and may we not wait until we have upon us a depression rather than a recession before the government shows some awareness of the fact that all is not well in this land, in economic terms.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, business failures occur for many reasons. Markets sometimes do not grow in accordance with expectations. Costs sometimes rise at a time when prices cannot be raised sufficiently to cover the increased costs. Loss of sales due to industrial disputes can result in serious difficulties for the businessman; and 1970 was, of course, marked by a series of such disputes across the country. Also, at times of high interest rates and limited liquidity in the economy, the difficulty of financing liabilities and the high cost of carrying large inventories when sales slow down can result in business failure. All these considerations were important in 1970.

The government has neither been unaware of nor unsympathetic to these problems. The measures taken by the government since last March have been frequently catalogued in this House by the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Benson). Particularly important factors in this regard were the growth of the money supply at a much increased rate in the second quarter, and the easing of interest rates. By midsummer the availability and cost of finance were improving for the businessman.

An analysis of the month by month trend in failures shows that the greater part of the increase over 1969 in business failures occurred between February and July. The picture changed sharply in the third quarter, and it is interesting to note that the number of failures began to fall in the third quarter at a time when they usually begin a seasonal increase.

GRAIN—ALLEGED SLOWDOWN IN MOVEMENT TO VANCOUVER BECAUSE OF LABOUR PROBLEMS—ADVANCE NOTICE OF GRADES REQUIRED

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on February 22 I directed the following question to the Minister of Labour (Mr. Mackasey):

> In view of the observation made by the Minister of Manpower and Immigration yesterday on the program "Question Period" to the effect that there was some slowdown in the movement of grain to Vancouver during the period when a couple of sporadic labour problems led to difficulties, can the minister inform the House where the slowdowns occurred and for how long the flow of grain was slowed down?

At that time the Minister of Labour said he could not answer the question because he had not had notice of it. I then directed a supplementary question to the Minister of Manpower and Immigration (Mr. Lang), who is in charge of the Wheat Board, as follows:

> In view of the fact that grain movement to Vancouver was slowed down for only two days, can the minister inform the House how much advance notice is required to meet our commitments for specific grades of grain bound for export?

The minister said that he must have missed something at the beginning of the question and wanted me to repeat it, but Mr. Speaker said, "Order, please". Following that I asked the Minister of Transport (Mr. Jamieson), when he appeared before the Standing Committee on Transport and Communications on February 25, 1971, following question as reported at page 51 of report No. 2:

> It was suggested that there had been some type of slowdown and tie-up and that the railroads had contributed to this situation. Have you had any contact with the railroads, both the CN and the CP, as to any tie-up in the movement of cars—any appreciable tie-up for the movement of grain to the coast?

The Minister of Transport answered in part:

> No. Indeed, in recent months the general reporting has been what I would describe as fairly satisfactory.

A little further on I asked:

> Would it follow that possibly the Wheat Board themselves did not have the right type of grain out there?

I meant the coast.

> If you are suggesting that there was no tie-up in the pipeline in the movement of grain to the coast, then there must be some reason behind it all if this grain was not available. I am pleased to hear at least that there is no tie-up so far as the rail operation is concerned.

The minister replied:

> Nothing untoward of which I am aware other than the normal kind of problem which exists perenially—a shortage of cars at certain locations.

I am glad to see the minister in charge of the Wheat Board here this evening to answer our questions. The most important question to be answered is: How much advance notice is required if we are to meet our commitments for specific grades of grain bound for export? If ships were delayed one month, as the minister suggested in the House, the Wheat Board had an extra month at least in which to place grain in position at Vancouver for export to whatever countries need it.

Of course, we can ask the minister what caused these delays over and above what he suggested on the television program. Did they result from sporadic labour disputes, from a lack of boxcars spotted at country elevators, or from mishaps between origin and destination? Could there possibly be some lack of co-operation between the Wheat Board and railway companies concerned, as well as those people who are buying the grain? Could there be lack of co-operation in placing that grain in export locations?

I suggest that if the minister wants the co-operation of all parties involved he will give in this House answers which are credible. I hope he will answer some of the

questions that have been asked in this House in order that there may be that degree of co-operation which I am sure the minister wishes to receive.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, may I point out that there was no chance to have the question repeated on the earlier occasion when it was asked, and I therefore could not discover what the hon. member had been talking about at that time. My problem at that time was that he had referred to a couple of days of delays. It turns out that he was referring to problems caused by landslides, and so on, which resulted in temporary difficulties.

That fact is that over the whole of the winter, from the fall onward, there were with respect to the CNR some sporadic slowdowns and labour problems which, as the Wheat Board reported to me, amounted in total to approximately one week's loss in cars arriving in Vancouver. We did not at that time make a great deal of this and I do not make much of it now, because that would involve our getting into the labour problem. That is why I talked quietly to my colleague the Minister of Labour (Mr. Mackasey). We do not, unless we feel that the crisis requires special intervention, involve my colleague the Minister of Transport (Mr. Jamieson).

These slowdowns occurred. The hon. member asks how long it takes for grain to be brought to Vancouver when the Wheat Board knows about a ship. The Wheat Board tells me that it takes about three weeks to undertake a program of grain movement from the country to Vancouver. Of course, this is normally done well in advance of the shipping arriving, as the hon. member suggests. When ships arrive in bunches, that is a sign of peak deliveries being made. There are delays in shipping, partly because of delays in ports abroad, and this leads to congestion from time to time.

• (10:10 a.m.)

The important thing is that the February loadings out of Vancouver were at approximately record levels. It looks as though in March we will again have approximately record levels of loadings of ships. The number of ships waiting at this moment is six, with eight vessels loading. The amount of grain in store in Vancouver has again been built up. There are again signs of labour problems which give me great concern. This time the CPR is showing some signs of difficulties. I am concerned about them. This could cause a slowdown at any time.

Mr. Skoberg: Where?

Mr. Lang: This is at the yards in Vancouver. It has not yet impeded us but we are disturbed a great deal. So far it is working very well. The block system is working very well. The co-ordinators at Vancouver and Thunder Bay are also working very well. We are arriving at record levels. The ships are there in decreasing numbers every day. I should draw to the hon. member's attention the fact that our exports of grain are at levels which mean an increased flow of cash to the Prairie farmers.

[Mr. Skoberg.]

HEALTH—CYCLAMATES—COMPENSATION TO FOOD PROCESSORS FOR LOSSES CAUSED BY BAN

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my interest in this matter was initially motivated by the effect of the cyclamates ban in October, 1969, on a relatively small Canadian food packer in my constituency. This was my initial concern. I will return to this point later.

It seems that the cyclamates question and their precipitous banning brings into focus the whole question of food additives. It is not simply a question of dietary foods and the use of artificial sweeteners for diabetics and weight-watchers; it includes the use of food additives in general in our highly technological and contemporary food industry. Additives of various chemicals are being used with increasing intensity for a variety of reasons. They are used to maintain colour in meats, add flavour, preserve a fresh appearance, bleach, and a host of other reasons. All these reasons have encouraged competitive manufacturers. They have been given the green light for these additives by the Food and Drug Directorate to intensify the inclusion of additives because of the interest of the consumers for convenience foods and other kinds of foods.

The cyclamates case is typical and symbolic because in order to meet import competition from the United States processors began to employ cyclohexysulphamic salts in diet foods, canned goods, cookies, jams, jellies, etc. They have been doing this for the past 20 years. It should be pointed out that processors who used cyclamates until the announced ban in October, 1969, had fully and completely followed the government's regulations in the use of these additives. For one small industry in my constituency, the loss was in excess of $50,000 because of the ban by the minister. Multiply the cost to processors across Canada and we get an idea of the intensity of the problem, especially when the axe falls, as it did, without warning.

I wish to emphatically point out that I hold no brief for any compromise with public safety. However, the ban came about after these processors, operating under the food and drug regulations, had already completed their pack for the year. What happened to cyclamates can happen in the case of other additives. It is only a question of time as to when and where the ban will strike next.

The government was, and is, prepared to compensate swordfishermen if it is found that their catches contain dangerous amounts of mercury. What is it prepared to do for the law-abiding processors? From the indications of the Minister of National Health and Welfare (Mr. Munro), they are prepared to absolutely nothing; the processors must take the loss. We should be looking toward the day when there will be some form of compensation to soften such blows in the future. We have had cyclamates and other things banned, and undoubtedly there will be more additives condemned in the future. Hon. members may know that the United States, which started all this controversy, has now reversed its decision on the cyclamates ban. It is interesting to compare what

has happened in the United States with what has not happened here in Canada.

Incidentally, it has been reported to me that an enterprising promoter in this city cleaned up $60,000 this fall, after the August 31 deadline—which the producers wanted extended—buying cyclamates at distress prices from Ottawa supermarkets and reselling them to—would you believe it—the three Ottawa hospitals. Cyclamates are still on the market, inadequately labelled, not marked as dangerous and available without prescription for anyone to buy. I have some here to prove it.

In conclusion, there are some interesting questions which we should consider. First, how are we in future to be sure that tablets, liquids and powders available as non-prescription drugs to meet the special needs of people such as diabetics will be diluted to the proper strength so as not to be dangerous. Many of those who use these preparations are old people whose eyesight is no longer good. How can we be sure they will get these preparations in the proper strength and not run the risk of taking overdoses of cyclamate?

I am sure the minister's intentions were beyond question, but he goofed. I have no hesitancy in saying he will goof again if he fails to develop a proper mechanism and policy for dealing with additives.

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to comment on the proposal that the government should compensate food manufacturers for losses sustained when the use of cyclamates in food was banned, but before doing so I would like to give a short summary of the action taken by the government in regard to this matter.

The few hon. members left in the House will recall that on October 21, 1969, the Minister of National Health and Welfare (Mr. Munro) announced that while no evidence existed to suggest that the use of cyclamates caused cancer in humans, the feeding of high levels of cyclamates to rats produced bladder tumours. After consultation with his scientific advisers, the minister decided to phase out the use of cyclamates as an artificial sweetener in foods. This was achieved over a period of approximately a year. Dietetic canned fruits containing cyclamates, the last class of foods to be removed from the market, were permitted to be sold until September 1, 1970. In making this decision the minister was faced with a potential hazard to the health of the Canadian people. It was therefore necessary to take this action for the protection of the public health. I think all hon. member will agree that health considerations must take precedence over economic factors.

I should like to point out that no food manufacturer is required to use a specific food additive in this product. That decision must be made by the food manufacturer taking all factors into consideration, including the possible risk that the food additive might be subsequently considered hazardous in view of additional scientific data. The government considers this to be a normal business risk faced by any manufacturer.

• (10:20 p.m.)

In summary, the following factors must be considered. Firstly, the decision to phase-out the use of cyclamates in foods was taken to protect the Canadian public from a potential health hazard. Under such circumstances, health considerations must take precedence over economic factors. Secondly, food manufacturers were not required to use cyclamates in their products. Under these circumstances, and after careful consideration, the government has decided that the food industry cannot be compensated for losses incurred owing to the withdrawal of cyclamates from food use.

[*Translation*]

Mr. Speaker, I am not aware whether my intervention has served any useful purpose tonight, but I am under the impression that we are witnessing a complete breakdown of our parliamentary system as a result of tonight's exercise in futility, a late show which is sheer madness. I hope a stop will soon be put to this.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, March 16, 1971

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF SPEAKER OF NATIONAL ASSEMBLY OF REPUBLIC OF KOREA

Mr. Speaker: This House is greatly honoured today by the visit of a distinguished parliamentary colleague representing one of Canada's friends across the Pacific in the person of the Hon. Hyo Sang Rhee, Speaker of the National Assembly of the Republic of Korea.

Some hon. Members: Hear, hear!

Mr. Speaker: The Republic of Korea is fortunate in having a Speaker who brings to the exercise of his duties not only a lengthy parliamentary experience but also the thoughtfulness of the eminent scholar in philosophy and literature, fields in which Mr. Rhee has achieved international recognition.

Speaker Rhee's visit honours the House of Commons and the people of Canada. On behalf of this House, I extend the warmest welcome to Mr. Speaker Rhee and wish him a most pleasant and successful journey in our country.

• (2:10 p.m.)

ROUTINE PROCEEDINGS

PROCEDURE AND ORGANIZATION

Second and third reports of Standing Committee on Procedure and Organization—Mr. Blair.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

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MANPOWER

ANNOUNCEMENT OF SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to say a few words to the House about the steps which the government has undertaken in order to provide this summer a program of student employment and activities. Hon. members may know that the number of university and high school students released from studies this summer will number more than 1,800,000. This represents an increase of close to 100,000 over the summer of 1970. Some of these persons will be seeking jobs; many of the rest will be in search of other equally meaningful summer activities. It is in the national interest that the wishes of as many persons as possible in each category be accommodated.

Few countries in the world are able to encourage students at the secondary and post-secondary levels to assume part of the cost of their own education by means of earnings from part-time or seasonal employment. Canada is one of them. Yet even in this country the economy has not always been able to accommodate all of those who would like to work. The advantages of summer employment are so obvious, however, in terms of self-support, of broadening of outlook, of acquisition of new skills and experience, that every effort to assist on the part of governments and business is justified. There is equal justification for assistance to students who do not seek work but who are nevertheless desirous of occupying their summer vacations in an otherwise rewarding and worthwhile fashion. The talents and energies of all these young people can contribute much to Canada during the summer months if properly utilized.

However desirable the goal of summer employment for students may be, it must not be pursued in a fashion that reduces the opportunities of employment for those persons who are in or are entering the permanent Canadian labour force. Ideally, one of the results of properly designed programs of summer employment and student activity should be the avoidance of competition for permanent jobs with adults. The programs which the government proposes, and in which it needs and is seeking the co-operation of other levels of government and the private sector, have been drawn up with this in mind. They are aimed at the provision of summer jobs or summer occupations for students. Every effort is being made to avoid competition for jobs between students and permanent members of the labour force.

Such a task is a difficult one in any summer. This year, however, job opportunities will not reach their peak until the summer months while the influx into the labour market of some hundreds of thousands of students will take place during the spring months.

[*Translation*]

The federal government accepts its obligation, as a major employer, to provide as many temporary jobs as possible within the public service. It is also encouraging actively other employers, in both the public and private sectors, to employ students for the summer months. Both government and industry recognize at the same time another requirement, however. It is to avoid "make-work" activities which contribute little to the national wellbeing either now or in the future. Employment opportunities—whether permanent or temporary—must either contribute to present productivity or serve to upgrade our future labour force and so contribute to an increase of productivity and output in years to come.

Student Summer Employment

In addition to providing summer employment, the government will operate again this year the special Student Employment Centres which were so successful last year. These centres are operated by a staff composed almost entirely of students. More than 100 such centres will be in operation.

I have spoken so far, Mr. Speaker, of summer employment. I should like now to turn to the other portion of the federal government program, that part which assists students in non-employment activities. Some effort should be made by both government and non-governmental organizations to assist those students not wishing to work or not able to work to gain from their summer activities, be these in the form of travel, study, or voluntary occupations. The federal government will again this year encourage and facilitate youth travel and study. It will do so by providing assistance to communities that wish to organize and operate hostels, and by adding a series of roadside service kiosks to provide information and assistance to travelling students.

The government believes that there is a positive and beneficial value in travel by young Canadians. National unity is a product of national understanding and national pride. Never in our history has there been the same opportunity for mobility of young people as now exists. With or without help, young people will be travelling this summer. We should help to make their experience more worthwhile.

[*English*]

The government believes as well that youth is sincere in its efforts to improve society and that young people are anxious to work and to engage in activities which are intended to make Canada a better place in which to live. The government proposes therefore to encourage young persons to direct their energy, their imagination and their altruism into projects which are beneficial to the entire community. The opportunities for youth program will combine the resources of the government with the resourcefulness of youth. We are saying, in effect, to the youth of Canada that we are impressed by their desire to fight pollution; that we believe they are well motivated in their concern for the disadvantaged; that we have confidence in their value system. We are also saying that we intend to challenge them to see if they have the stamina and self-discipline to follow through on their criticism and advice.

In summary, Mr. Speaker, the government expects a valuable return on the resources it will allocate this summer, and it believes that other governments, private organizations and businesses hold out the same expectation. There is work to be done; there are tasks to be performed; there are experiences to be gained. There is a whole country to be explored. There is a generation desirous of improving the world in which it finds itself. This summer will challenge us all to accomplish these ends.

The federal government proposes to spend some $57.8 million this summer in support of these activities. This sum has been allocated to nine separate categories of programs involving several departments. Rather than burden the House at this time with details of each of these programs, I have requested the responsible ministers to make the information available to the Leader of the Opposition (Mr. Stanfield) and to the leaders of the other parties. This has been done.

The total summer program is the product of close consultation with the provinces, and with the private sector. Responsibility for continued co-ordination will rest with the Secretary of State (Mr. Pelletier).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the first thought that will come to the mind of anyone who examines the programs announced by the various ministers today is: What possible reason could there have been for the delay in announcing these programs? The Department of Manpower and Immigration expects that some 990,000 students will be seeking employment, or 50,000 more than last year. According to the Prime Minister's figures, there will be some 800,000 additional students who will not, for some reason, seek work. This makes a total of approximately 1,800,000 students. It is a reasonable assumption that there would be many more than 990,000 students seeking work this summer if they thought they had any chance of finding employment.

It is asserted in the statement by the minister that this program will assist as many as 500,000 students. I say as forcefully as I can that this is absurd puffery of the worst sort. There are only two programs which are in any sense new. One is called "Opportunities for Youth" and the other involves some 600 scholarships for university athletes. The other programs are simply the same as or extensions of programs in existence in previous years.

• (2:20 p.m.)

The program called "Opportunities for Youth" involves the provision of $15 million in grants to local or community organizations which between now and the proper time will produce plans and projects acceptable to the Department of the Secretary of State. Imagine producing that kind of suggestion in the middle of March to be applied this summer.

The government is trying to use catch phrases and clichés like "meaningful" to package what is really a non-program. In its Opportunities for Youth program, for example, the government has developed no program at all. Instead, in a last minute panic it has tried to dump the whole responsibility on the municipalities and local agencies. The government evidently feels it can get away with passing the buck if it passes the bucks at the same time. If one assumes that this $15 million program involves $500 per student or $1,000 per student, one can quickly calculate how many jobs are involved. In addition, there are about 2,000 jobs in the Department of National Health and Welfare, some jobs in the Public Service Commission, and 10,000 to 12,000 jobs in the reserve forces under the Department of National Defence. This is the extent of the additional employment program announced by the ministers today. The rest of the program relates to assistance for travel, a certain amount of training and that sort of thing.

In his statement the Prime Minister speaks about the importance of creating job opportunities and says that "every effort to assist on the part of governments and business is justified." He goes on to say that "there is equal justification for assistance to students who do not seek work but who are nevertheless desirous of occupying their summer vacations in an otherwise rewarding and worthwhile fashion." I would agree there is justification for assisting those students who wish to spend their time in travel, improving themselves and seeing the country. I think this is important. But I cannot agree that it is equally as important as providing job opportunities for students who need to earn money in order to remain in school or university.

It is very clear from looking at the material handed out by the Department of Manpower that it is private industry that will have to provide the great mass of jobs for students this summer as was the case last summer. It is very clear that no effective program has been announced even at this date to really encourage the expansion of employment by private industry. It is equally apparent to all of us that the main reason so many students will have such terrible difficulty obtaining employment or will fail to obtain employment this summer is the slack that exists in the economy which is the result of the government's slowing down of the economy and its glib and smug acceptance of the amount of unemployment that exists in Canada today. The prospects faced by these students this summer underline the need for more rapid expansion in the economy not only for the benefit of students but for all youth and all unemployed. The government has neglected its responsibilities and added to this neglect by delaying even this announcement until the middle of March.

I conclude my few remarks by reading what the Prime Minister said to the students in the course of his remarks:

> There is work to be done; there are tasks to be performed; there are experiences to be gained. There is a whole country to be explored. There is a generation desirous of improving the world in which it finds itself.

I simply ask the government, why does it not give the kids a chance to do it?

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Prime Minister comes into the House today and makes a statement. Arrangements have already been made for a group of four or five cabinet ministers to flesh out the supposed details later this afternoon in a press conference. I hope that the members of the press who attend that conference and the public outside this chamber will keep in mind that the 990,000 students who the Minister of Manpower and Immigration says will be looking for work this summer will be joining the more than 700,000 people who are looking for work at the present time, and that a very large percentage of these people are looking for work because of the policy of slowing down the economy deliberately adopted by this government a year and a half ago.

Student Summer Employment

What does the Prime Minister say? He says that the government will provide $15 million for employment programs for students, which is a very good objective. He says that the money will be provided to between 4,000 and 5,000 voluntary organizations which are asked today, on March 16, to come forward with ideas to put students to work, not make-work programs but programs that will provide useful work. In five weeks a very large number of university students will be finishing their university terms and a month later high school students will be entering the job market. These voluntary organizations have been given between five and eight weeks to develop meaningful projects. Nothing could be more ridiculous than to expect that really useful projects will be developed in that time. I am not critical of the voluntary organizations nor am I critical of the students who will be hired, but I say to the Prime Minister and to the Secretary of State that when this summer is over we will find that a good deal of the money went for the same kind of useless projects which we saw operated by the Company of Young Canadians, and the blame will not rest with the voluntary organizations nor the students but with the government.

Why did the government have to wait until March to announce this program? They knew what happened last year. The Minister of Manpower and Immigration said in his statement that 940,000 students were looking for work last year and there will be 50,000 more this year. We know from the figures which the minister gave us at the end of last year that 50 per cent of the students who looked for work last year did not get work for more than half the time for which they were available for work. Surely the government should have started last September to work out the kind of programs which they have announced today.

The Prime Minister said there had been close consultation with the provinces. I know of one province at least where the first official announcement to the province of this program was in a telephone call to the premier last week. If that is close co-operation, I do not know what co-operation means. So I say that to a large extent the employment program will be meaningless.

• (2:30 p.m.)

I want to deal now with the travel program which is divided into two parts. The first is the hostel program. That is a very useful program because a large number of students who cannot get work will be moving across the country. We see more of this every year, and it is good for the federal government and the provinces to co-operate in providing facilities where these students can stay in the cities they visit. I approve of that.

I want to say something about the other part of the program, the $3,750,000 which is being provided for young people with respect to two projects in Canada and two projects overseas. I am all in favour of students having the opportunity to broaden their experience, but what kind of students are going to be able to spend a substantial part of the summer travelling, partly at their own expense and partly at the expense of the government of

Canada, the people of Canada? The students who can avail themselves of that kind of program are those who come from middle and upper income families. They are students who do not have to worry about getting a job and earning some money this summer so they can go back to school or university in September. I object to a program which is primarily designed to subsidize those who already have the most in this country.

Having been so critical of what the Prime Minister has announced today, following the quick study I have been able to make of the announcement I want to commend the government and the Department of National Health and Welfare for the programs which will come under that department. The program to involve 700 students in the study of drug abuse seems to me to be an extremely useful one. Another useful program is that which provides clinics for training athletic coaches. For too long Canada has lagged in its ability to produce athletes of a high calibre. Projects of this kind should be commended.

The whole idea of doing something for students this summer is one which every member of the House can support, but I want to close by again saying that in my view the bulk of the value which could have been obtained from this kind of program will be lost because the government waited until the middle of March to announce it instead of making plans and announcing them to the provinces, the cities and the voluntary agencies last September or October.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the right hon. Prime Minister has just said that 1,800,000 students will enter the labour market during the summer months.

I feel that the action taken by the government at the present time is nothing but a poultice on a wooden leg. It will not solve the problem.

Our young people, who constitute our Canadian population of tomorrow to use the right hon. Prime Minister's words, expect something more. Already late in 1971 for settling the problems facing our students, the government merely states that it will create 500,000 peacetime jobs for our young people, while 1,300,000 of them will be left in the cold.

If a world war broke out tomorrow morning, all students would find jobs immediately because they would be called up, we would clothe them, house them, feed them and pay them. The $57,800,000 would not even be mentioned. That is what staggers me. In wartime, on the pretext of saving civilization, millions are not taken into account, the government spends money. However, in peacetime, to help the young adapt to our society, the government talks about $57 million. It mocks the people, to their faces. That is what the present program boils down to.

We shall not oppose, of course, the assistance that may be granted to students during the summer months. However, we feel that a long-term program is required. We suggest the payment of an advance salary to students, which would enable them to adapt to society and prepare their future in Canada.

[Mr. Orlikow.]

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

GOVERNMENT AUTHORITY FOR ACQUISITION OF CONTROLLING INTEREST IN HOME OIL COMPANY—RETENTION OF CONTROL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I would like to direct a question to the Prime Minister with regard to the government's acquisition of a controlling interest in Cygnus Corporation and thereby in Home Oil Company. Does the government intend to introduce legislation with regard to the acquisition of these shares or does the government consider it now has the necessary authority to acquire the shares and, if so, would the Prime Minister indicate what that authority is?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Energy, Mines and Resources announced to the House the other day what I can only repeat now, namely, that the negotiations have been undertaken. There is nothing new to report since the minister spoke to the House, I believe last Friday, and we do not think it is in the public interest now to say in which way this acquisition will proceed, if indeed it does proceed.

Mr. Stanfield: Mr. Speaker, I asked the Prime Minister to indicate for the information of the House and the people of the country whether the government feels it has the necessary legal authority at the present time to make this acquisition and, if so, what the authority is, or whether the government intends to introduce legislation? I respectfully suggest to the Prime Minister, Sir, that there is no conceivable reason in the public interest why he cannot give that information to the House, if he has it.

Mr. Trudeau: Mr. Speaker, if the question has to do with this particular transaction my answer can only be the previous one, but if the Leader of the Opposition is asking me for some kind of opinion on whether the government of Canada, by contract, can purchase something, the answer is that it can, but subject as always to the appropriation of the money by this House or to what other procedure is needed, either legislation or estimates. The government of Canada is not prohibited by law from buying an interest in this kind of company, if this is what the Leader of the Opposition is asking. If such an undertaking is proceeded with, of course we will have to come to the House in one way or another for funds to proceed with such appropriation.

Mr. Stanfield: I thank the Prime Minister for indicating to the House that if this transaction is completed the government will be coming to the House for the necessary authorization, at least in terms of money. I should like to ask the Prime Minister whether the government intends to retain the controlling interest in the company if it completes the transaction or whether it intends to

resell under terms which would ensure the retention of control in Canada?

Mr. Trudeau: You will recognize, Mr. Speaker, that the question as asked is hypothetical. The Leader of the Opposition is asking me to state what the government would do if this deal were proceeded with. At this time there is nothing in the direction of a concluded deal on which I can report to the House.

Mr. Stanfield: Mr. Speaker, I am simply trying to find out what the policy of the government is but there apparently isn't one.

[*Later:*]

Mr. G. W. Baldwin (Peace River): I should like to ask the Prime Minister a question related to one asked earlier by the Leader of the Opposition. Is it the view of the government that the government of Canada can acquire a corporation for purposes other than those specifically assigned to it in the constitution?

Mr. Speaker: Order, please.

Mr. Baldwin: On a point of order, Mr. Speaker—

Mr. Speaker: Order. The hon. member realizes that the question he has asked is defective in at least two ways. He is asking, according to my way of thinking, for a legal opinion. In the second place, he is inviting the government to express an opinion. On both grounds the question is out of order. Nevertheless, if the hon. member thinks his question can be phrased in some way which would make it acceptable from a procedural standpoint he might attempt to do it now.

Mr. Baldwin: Very well, Mr. Speaker. I was following the line taken by my hon. friend. I will put it this way: can the government acquire corporations for purposes other than those specifically assigned to it under the constitution?

Mr. Trudeau: That is obviously a request for a legal opinion. In order to give advice on that I would have to know whether the hon. member has in mind acquisition by way of expropriation or acquisition by way of voluntary purchase.

ALLEGED INCONSISTENCY OF GOVERNMENT ACTIONS RESPECTING DENISON MINES AND HOME OIL

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wonder whether the right hon. gentleman could explain briefly to the House why the government is proceeding to purchase share control of Home Oil Company when in the case of Denison it simply passed legislation prohibiting the sale to foreign ownership? Is there a specific reason for this change?

Right Hon. P. E. Trudeau (Prime Minister): The distinction has been made on several occasions both in and out of this House and again by myself yesterday, Mr. Speaker. Under the British North America Act the government has jurisdiction over the uranium industry but it does not have the equivalent type of jurisdiction over other resources such as the petroleum industry, and that is one of the reasons why we are acting in this way.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister in view of the answer he has just given and in view of the answer he gave to me yesterday on this question when, as found at page 4245 of *Hansard*, he said:

> In the case of uranium, the federal government had jurisdiction under the constitution to intervene directly.

Was the Minister of Energy, Mines and Resources expressing the view of the government on September 18 when he said in the second paragraph of his press release headed "Control of Foreign Ownership of Canadian Uranium Properties and Facilities":

> It was proposed, the minister said, to bring into force regulations under the Atomic Energy Control Act for the carrying out of government policy with respect to the control of foreign ownership of Canadian uranium properties and facilities, but legal counsel now advise that some of the provisions which will be required by government will necessitate legislation rather than regulations. Accordingly, the government is preparing legislation to be introduced to Parliament during the forthcoming session, but it will take some additional time—

Mr. Speaker: Order, please. I wonder if the hon. member is coming to the question. I realize he is inviting an opinion from the right hon. Prime Minister as to whether a statement made is government policy, but the statement quoted by the hon. member should not be too long. I hope he will come to the question soon.

Mr. Hees: Mr. Speaker, I had finished my quotation. My question to the Prime Minister is: He said one thing yesterday, that the government had jurisdiction, and the minister on September 18 said the government thought it had but found it did not have the jurisdiction it needed and therefore must pass legislation, which legislation has not been presented to the House—

Mr. Speaker: Order, please. The hon. member has had the floor for quite some time. The question period is only 40 minutes long. We will be running short of time.

Mr. Hees: My question is, how does the Prime Minister reconcile these two completely opposite points of view?

Mr. Trudeau: Mr. Speaker, it is very simple, and I think what the minister said confirms what I said. If the government intends to pass legislation it is quite obvious that the government considers it has jurisdiction, and that is exactly what I said. The federal government has jurisdiction over this area and that is why we will be in a position to present legislation to the House. If we did not have jurisdiction we would not be able to present legislation. It would be presented in some provincial House.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Prince Edward-Hastings for one brief supplementary, but in fairness to other members we have to go on to other questions. We have spent more than ten minutes on the first question and in my view that is unfair to other members.

Inquiries of the Ministry

Mr. Hees: The Prime Minister has said that the government had jurisdiction. There is no jurisdiction under the Atomic Energy Control Act to prohibit the sale of uranium. The government does not have jurisdiction now, nor did it have a year ago.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

* * *

ENERGY

POSSIBLE MACKENZIE VALLEY PIPELINE—STATEMENT RESPECTING PROVISION OF RIGHT OF WAY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister who has now had a week to study the speech made by the Minister of Indian Affairs and Northern Development in Dallas, Texas, on March 9. When I asked a question a week ago the Prime Minister had not had a chance to read the speech. Since the Prime Minister was worried about distortion the other day, perhaps I had better read the relevant sentence:

> In other words, if it is felt desirable to build an oil pipeline from Prudhoe Bay direct to the mid-continent market then a right of way through Canada I am sure can, and will, be made available.

Does this mean that the minister was speaking on behalf of the Canadian government and that the Canadian government is now saying, without any preconditions, that a right of way will be made available for the building of both oil and gas pipelines through Canada from Alaska to the United States?

Right Hon. P. E. Trudeau (Prime Minister): Obviously the answer is no, Mr. Speaker. The hon. member is asking if this will be done without any preconditions. The quotation he just read to the House contained the words "if it is desirable". Surely this is the whole phrase on which the case rests. If it is desirable in terms of public policy and in terms of government decision, a way can be found to do it. There is no problem here that I can see.

Mr. Douglas: Mr. Speaker, since two ministers have now issued invitations making it clear to the United States that the government would favour the building of an oil pipeline through Canada, may I ask the Prime Minister if he will undertake to give either of the give-away twins an opportunity to make a statement to the House so that we may be fully aware of what commitments the Canadian government has made, what the conditions are and when the ecological studies with respect to a pipeline through Canada will be completed?

Mr. Boulanger: Where were you on Friday? We were all day on that subject.

Mr. Trudeau: With respect, Mr. Speaker, I cannot agree with the premise of the question, that there has been a firm indication to United States interests to build a pipeline. The minister said quite clearly that if it were in the Canadian interest, if it were desirable to have such a pipeline built we would make the conditions available whereby it could be built. This is not a clear invitation. This is an indication that there is a route there, that it can be considered and that we are looking at the various conditions under which it would be beneficial to Canada.

POSSIBLE MACKENZIE VALLEY PIPELINE—WITHHOLDING OF COMMITMENT UNTIL STUDIES COMPLETED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Since his statement said nothing about whether it was in Canada's interests but simply said that a right of way could and would be made available—

Mr. Trudeau: "If".

Mr. Douglas: —I want to ask the minister whether he is having discussions this week with representatives of the 17 companies comprising Mackenzie Valley Pipeline Research Limited. In view of the fact that Mr. E. C. Hurd, president of this group, has said that studies will not be completed for some three years, does the minister intend to delay making any firm commitment until these studies have been completed and also the studies by his own department?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we had a debate on that matter on Friday and I spoke very clearly to the House about the situation. We said to the Americans what is obvious, that there is a route there that we can use if they accept the conditions that we have laid down about it, that it is going to be a common carrier, that it is going to protect the ecology, that it will have to give employment to the native people and so on. I think that this policy is in the best interests of Canadians. It was made public last August, so I am quite surprised that the hon. member has not checked it.

POSSIBLE MACKENZIE VALLEY PIPELINE—OPPORTUNITY FOR CANADIANS TO INVEST IN DEVELOPMENT

Mr. Paul Yewchuk (Athabasca): I wish to direct my supplementary question to the Prime Minister. In view of the fact that Canada prefers the Mackenzie valley route, does the government have any plans which would enable Canadians to invest in such a pipeline development? Are any specific plans now laid out which will enable Canadians to invest in this pipeline development should it come down the Mackenzie valley?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, no specific plans.

[*Translation*]

POST OFFICE

INQUIRY AS TO INCREASE IN MAIL RATES TO OFFSET DECREASE IN VOLUME

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister without Portfolio in charge of the Post Office.

Since the last increase in postal rates has brought about the folding up of several magazines and generally resulted in a decrease in the volume of mail, could the minister indicate whether his department is presently considering the possibility of further increasing postal rates in order to offset the deficit resulting from the reduced volume of mail?

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, the decrease in volume did not necessarily result from the rates increase, but we are considering the possibility of further increasing postal rates.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

AUTHORITY FOR ISSUANCE AND DISTRIBUTION OF PUBLICATION, "BI-MONTHLY RESEARCH NOTES"

Mr. James A. McGrath (St. John's East): I wish to direct a question to the Minister of Fisheries and Forestry. Under whose authority was the publication called "Bi-monthly Research Notes, published under the authority of the minister of the environment", issued and distributed across Canada? There is no minister of the environment. Under whose authority was this publication put out?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I will have to make inquiries and report back to the hon. member.

* * *

[*Translation*]

INDUSTRY

CANADAIR—MEASURES TO RELIEVE FINANCIAL DIFFICULTIES AND MAINTAIN EMPLOYMENT

Mr. Georges Valade (Sainte Marie): Mr. Speaker, I would like to direct a question to the Minister of Labour, but in his absence I will put it to the right hon. Prime Minister.

In view of the fact that Canadair of Montreal has revealed its financial difficulties and threatens to lay off 6,000 workers, could the right hon. Prime Minister inform us whether his government intends to take immediate steps likely to alleviate the situation, such as the purchase of CL-215 aircraft.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my department is making every effort to help Canadair, for example, in the international field, promote the sale of CL-215 aircraft. My department is also trying to secure for the company

sub-contracts from the United States and is also helping in the areas of research and development.

The Minister of Transport is, for his part, engaged in developing a reorganization program which would apply to the Canadian aircraft industry as a whole, in regard to short take-off and landing.

Mr. Valade: Mr. Speaker, I have a supplementary question for the minister. Is he doing his best to prevent, by means of temporary contracts or agreements, the dismissal of the 6,000 Canadair employees involved?

Mr. Pepin: Mr. Speaker, if my hon. friend is aware of the situation of the aircraft industry in Canada, the United States and the rest of the world, he knows that the industry is encountering great difficulties at the present time because of cuts in the defence budgets of several countries, particularly Canada and the United States.

I therefore feel that expecting the company to continue operations at a wartime employment level would be unrealistic.

Mr. Valade: In view of the importance of the matter, Mr. Speaker, I feel the minister should reply to my question. Does the government intend to purchase CL-215 amphibian aircraft, which have already been purchased by other countries to combat forest fires?

Mr. Pepin: Mr. Speaker, that question is under consideration, but it is well known that it involves real difficulties. Some provinces, among which Quebec, have already got those planes. Were the government of Canada to buy some, the fact that a province is already equipped would raise problems, and it might also happen that when fires would have to be fought in Newfoundland, the planes would be in British Columbia.

* * *

[*English*]

HOUSING

SUGGESTED USE OF FUNDS ALLOCATED FOR SUBSIDIZED HOUSING TO SUPPORT LOWER INTEREST RATES

Mr. Robert McCleave (Halifax-East Hants): My question is directed to the minister responsible for housing. I will drawl the question while he is returning to his seat. Will the government redirect a large portion of the funds allocated for subsidized housing to support lower interest rates on housing for ownership as suggested to the minister today by the Housing and Urban Development Association of Canada?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the large amounts of money available to Central Mortgage and Housing Corporation are, of course, capital funds. There would be some difficulty in applying capital funds to what is basically an expenditure program. Nevertheless we are, and have been for some time, examining the proposal. If there is a decision made, I will announce it to the House.

Inquiries of the Ministry

SUGGESTED LOW-COST INNOVATIVE PILOT PROJECT

Mr. S. Perry Ryan (Spadina): I wish to direct a supplementary question to the minister in respect of the request of the Housing and Urban Development Association for his support for a 100-acre, low-cost, innovative pilot housing project. Is the minister prepared to support their request?

Hon. Robert K. Andras (Minister without Portfolio): The National House Builders Association is now the Housing and Urban Development Association of Canada. Last year they came to us with a proposal in principle. It was not possible to entertain it at that time. I have not seen any details. I was told this morning that they have received an enthusiastic response from a municipality and provincial government. I invited them to send us the details so that we can examine them. Generally speaking, we would be receptive to examining them, but I am in no position to make a decision at this time because I have not seen them yet.

EFFECT OF FLUCTUATING INTEREST RATES ON STARTS

Mr. John Gilbert (Broadview): I have a supplementary question with regard to the report that many builders are withholding their building programs because of the wide fluctuation of interest rates. Would the minister consider stabilizing interest rates for a period of six months or a year so that builders can proceed with their building programs? As a further supplementary, will the minister consider making some of the interest rates more especially with regard to CMHC loans, dependent on income, in other words, interest geared to income?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the last portion of the question was wrapped up in the answer I gave a moment ago. With regard to the builders holding off for a stabilization of interest rates, I inquired of the house builders this morning if this was the case to any marked degree. They said this is not the case. As far as my ability to stabilize interest rates for six months or a year is concerned, it is a very interesting proposition, but I do not really subscribe to it at the present time.

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ENERGY

QUEBEC—INQUIRY AS TO GRANT TO LA LIGUE DES DROITS DE L'HOMME

Mr. David Lewis (York South): My question is for the Minister of Indian Affairs and Northern Development. It is in connection with the answers he gave with regard to a pipeline through Canada from Alaska to United States. The minister referred to a condition regarding the ecological consequences of the pipeline. Is research on the question of the ecological consequences of building a pipeline completed, what organization is the minister depending on for such research, and if he has any report is he prepared to table it?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, exactly two years ago, my own department as well as other departments and the private sector undertook some research work on the possible effects on the tundra of pipeline construction. A few days ago, I even told the House that such research would be extended for another summer season before we came to a final conclusion. On many occasions, I stated that such a final conclusion could in my opinion be arrived at before the end of 1971 at the latest. The sooner the better, but I have repeatedly said that we intended to take up all the time we needed and only when we have in hand all the information made available by the government officials and by the private companies will we able to make a meaningful decision.

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a supplementary question to the minister. Is he sure that the research will bring about a satisfactory solution to this issue?

Mr. Chrétien: I said, Mr. Speaker, that if man is able to send another man to the moon, he would probably be able to build a pipeline in the North without destroying the ecological balance. I can also say that the experiments made in the last two years lead us to believe that that will be possible.

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[*English*]

AGRICULTURE

REQUEST FOR INQUIRY INTO TRAFFICKING IN INDUSTRIAL MILK QUOTAS

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Agriculture. Would the minister be prepared to set up some form of inquiry into the question of trafficking in industrial milk quotas?

Hon. H. A. Olson (Minister of Agriculture): The hon. member has asked this question a number of times; indeed, it has been the subject of one "late show". If he has some evidence in connection with "trafficking in milk quotas" I would be happy to receive that evidence and look into it.

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[*Translation*]

HUMAN RIGHTS

QUEBEC—INQUIRY AS TO GRANT TO LA LIGUE DES DROITS DE L'HOMME

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to address a question to the Prime Minister.

In view of a request made a fortnight ago by Mr. Jacques Hébert, representative of the Quebec chapter of the Civil Liberties Union, for financial support from the federal government, and since the Secretary of State is supposed to be studying this request since then, could the Prime Minister say whether the government has agreed to subsidize this organization and for which purposes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know that the Secretary of State has indeed received a request in these general terms and that he is considering it. Unfortunately, I cannot tell the House which decision he has reached, but I am satisfied that if the hon. member asks this question of the minister upon his return, he will obtain an answer.

[*English*]

TRANSPORT

SUGGESTED INTEREST-FREE LOANS TO RAILWAYS TO PROVIDE PASSENGER SERVICES

Mr. Ross Whicher (Bruce): I have a question for the Minister of Transport. Yesterday the Secretary of State for External Affairs described Canada's action in extending a $14 million interest-free loan for 50 years to eastern African countries for the purchase of railway locomotives as a bold experiment in international co-operation. Will the Minister of Transport approach the Secretary of State for External Affairs and suggest that we pursue a bold experiment in national co-operation by making interest-free loans to Canadian railway companies in order that we may enjoy railway passenger services in Canada, particularly in the area of Owen Sound where not one train is running?

Some hon. Members: Hear, hear!

Mr. Speaker: Order. The question was hardly in order; it was in the form of a representation and the hon. member has to assume there will be communication between the ministers in question.

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LABOUR RELATIONS

CONCILIATION BOARD REPORT CONCERNING BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Mr. Mark Rose (Fraser Valley West): In the absence of the Minister of Labour I should like to direct my question to the Minister of Transport who seems still to be basking in the euphoria produced by the previous question. I should like to ask him whether the Brotherhood of Locomotive Engineers conciliation board report has been submitted to the government. If not, when is it expected?

Hon. Donald C. Jamieson (Minister of Transport): To my knowledge the report has not been received. I shall make inquiries and let the hon. member know.

Mr. Rose: Since there has been more than a year's delay in bringing about a settlement between the railway companies and this union, has the minister or any member of the government considered initiating changes in the Industrial Relations and Disputes Investigation Act in order that delays may be eliminated or shortened in the future?

Mr. Jamieson: This is properly a matter for the Minister of Labour, but my colleague has indicated to the House on a number of occasions that he is proposing amendments to the Industrial Relations and Disputes Investigation Act and no doubt these will be coming forward in due course.

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POST OFFICE

OTTAWA—THEFT OF PARCELS IN RIVERSIDE PARK AREA

Mr. Stevens E. Paproski (Edmonton Centre): My question is directed to the minister in charge of the Post

Office. Is the Post Office Department investigating the reported theft of 150 parcels in the Riverside Park area of Ottawa? Can he assure anxious residents deprived of Christmas gifts that action is being taken by his department?

Hon. Jean-Pierre Côté (Minister without Portfolio): We have made an inquiry, Mr. Speaker.

[*Translation*]

Mr. Paproski: Mr. Speaker, I should like to put a supplementary question.

It is quite difficult to write a word of thanks for something that we have not yet received.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

HAY RIVER—HOLDING OF COMPANY OF YOUNG CANADIANS VEHICLE—INVESTIGATION OF BOMBING OF BUILDING

Mr. Paul Yewchuk (Athabasca): My question is for the Solicitor General. Can the minister inform the House of the circumstances surrounding the holding of a CYC vehicle by the RCMP in Hay River, Northwest Territories?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I will be pleased to inquire about the circumstances and to inform the hon. member.

[*English*]

Mr. Yewchuk: Since the CYC may be directly or indirectly involved with or related to the bombing of a building in Hay River, can the minister indicate whether an investigation is being carried out and whether a report will be made to the House on this matter?

[*Translation*]

Mr. Goyer: I will make sure that this matter is considered, Mr. Speaker.

* * *

[*English*]

THE CANADIAN ECONOMY

ABILITY OF HOME OIL TO NEGOTIATE SALE TO CANADIAN COMPANIES

Mr. J. H. Horner (Crowfoot): I should like to direct a question to the Prime Minister in order to determine precisely what stage negotiations with Home Oil have reached. Would the right hon. gentleman say that Home Oil could still negotiate privately with a Canadian company or companies held principally by Canadian shareholders if it decided not to do business with the government?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, very much so.

Inquiries of the Ministry

POLLUTION

FEDERAL GOVERNMENT PARTICIPATION IN SUIT BROUGHT BY ONTARIO AGAINST DOW CHEMICALS

Mr. Frank Howard (Skeena): May I direct a question to the Prime Minister with respect to the suit for damages launched by the Ontario government against Dow Chemicals and, if I understand correctly, against the parent corporation in the United States? Is the federal government participating in this suit along with the Ontario government? Perhaps I should have directed the question to the Minister of Justice or to the Solicitor General. In any case, I should be glad if the minister who can supply the information would reply.

Hon. Jack Davis (Minister of Fisheries and Forestry): We are providing all the information we have to the government of Ontario and keeping our options open.

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AIR TRANSPORT

CANADIAN ACTION RESPECTING HIJACKING

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Acting Secretary of State for External Affairs or for the Minister of Transport. It has to do with the grave concern expressed recently by the Canadian Airline Pilots Association with respect to hijacking in Canada. May I ask whether Canada intends to subscribe to the terms of the Hague convention or to move on its own with respect to this most heinous of all crimes?

Hon. Donald C. Jamieson (Minister of Transport): I have answered this question on a number of occasions. Our position is that we are prepared to co-operate with any country in any way which would put an end to this type of senseless crime. Whether there is any specific initiative at the moment, in addition to what we have taken unilaterally, I cannot say. At the same time, we are continuing talks with the Canadian Airline Pilots Association and I believe the association understands the position.

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POST OFFICE

TORONTO—RENT PAID FOR NEW SERVICE CENTRE, SALE OF MERCHANDISE

Mr. A. D. Hales (Wellington): I would direct my question to the minister responsible for the Post Office. It concerns the opening of a new postal service centre in Toronto yesterday. May I ask the minister whether it is the case, as reported in an article I read in the *Globe and Mail*, that the rent being paid is $8 per square foot per month and, second, whether it is the intention to use these premises to sell merchandise in competition with private enterprise?

Mr. Speaker: Order. The hon. member knows he cannot ask a minister to confirm or deny the accuracy of statements which appear in the press. Perpaps we can assume, however, that the question was asked directly, and the minister may wish to reply.

Hon. Jean-Pierre Côté (Minister without Portfolio): As far as arrangements for allocation of buildings are concerned, this is a matter which comes within the jurisdiction of the Department of Public Works. I understand that the premises include a very nice boutique, and maybe this is a new concept for the Post Office. We intend to sell other things besides stamps, including mint sets, mineral specimens and other articles of a kind which symbolize Canada. We shall also provide services which people need when sending parcels and so on.

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FISHERIES

PREVENTION OF FISHING BY FOREIGN SHIPS WITHIN 12-MILE LIMIT—PROTEST BY FRANCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and Forestry. Is the minister prepared to clear up the inconsistency between his answer on Friday to the hon. member for St. John's East and the reply given by the Parliamentary Secretary to the Secretary of State for External Affairs on Monday to the same member with regard to the protest voiced by the French government over Canada's announced 12-mile limit along the south and west coasts of Newfoundland? In other words, will French trawlers refrain from fishing within our 12-mile fishing limit?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, concerning the nature of the communication that we received last week, I understand it originated with a junior official of the French government and was of the character of a protest. Since then, the French Ambassador has termed it a reservation, so I now report that a reservation has been expressed by the French government.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Would the minister undertake to keep the parliamentary secretary informed while his minister is away?

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TRANSPORT

AGINCOURT-TORONTO RAILWAY COMMUTER SERVICE

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a question for the Minister of Transport. Will the minister be throwing his weight behind the conveniently scheduled six-month experimental commuter service on the CPR line between Agincourt and Toronto, as requested of him by the Agincourt committee?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have already assured the chairman of the metropolitan group in Toronto, Mr. Campbell, that we will participate with them in a thorough study of all

commuter lines feeding into Toronto. Initial negotiations area already under way with Mr. Campbell's office, and I assume that that particular route will be embraced by the study.

Mr. Ryan: May we take it that the minister will push for progress in the commuter service area?

Mr. Speaker: Order, please.

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POLLUTION

YUKON RIVER—INVESTIGATION OF SEWAGE PROBLEM

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Has the minister's department investigated the sewage pollution problem in the Yukon River? If so, what are the plans of his department in this respect?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not presently aware of this problem. I shall inquire and I shall be pleased to inform the hon. member regarding this matter.

* * *

[*English*]

SHIPPING

EXTENSION OF CHURCHILL SEASON—CONSULTATIONS WITH INSURANCE UNDERWRITERS

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Transport. Is the minister's department consulting with insurance companies which underwrite ocean shipping with a view to extending the present shipping season out of Churchill this coming year?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. If these gentlemen are not in the country now they will be within a matter of hours. I have invited the top people in the insurance fraternity from the United Kingdom, the United States and Canada. Part of their visit will involve a complete tour of the St. Lawrence seaway, and they will be thoroughly briefed while here about the so-called Hudson Bay route. Later in the year, we will invite them back when the time is appropriate to view that route. The objective of the exercise is to get them to reduce insurance rates for all ocean shipping into icy Canadian waters.

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HISTORIC SITES

LOWER FORT GARRY—DISCONTINUANCE OF MILITARY CEREMONY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Last Wednesday I asked him about the proposed discontinuance of summer job opportunities for students at historic Fort Garry and at other national historic sites in Canada. Is the minister now ready to reply?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have been informed that the military guard at Fort Garry was not of a very great historical authenticity, because that fort had been mostly used for fur trading rather than for military purposes. This is why, from the point of view of historical authenticity, it was not desirable to maintain this military guard. However, we are taking the necessary steps so that the number of jobs for students will not be decreased at Fort Garry.

[*English*]

Mr. Dinsdale: Mr. Speaker, the other part of my question referred to stepping up the program of animation with a view to employing students and providing summer job opportunities. Will such animation be taking place this summer at Fort Garry and at other historic sites across the country?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the program of animation which will be diversified enough should be undertaken this summer. It will particularly highlight fur trading. I was told that students will wear appropriate costumes.

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[*English*]

TRANSPORT

TOTAL SHIP CAPACITY, CAPE TORMENTINE-BORDEN FERRY SERVICE—NUMBER OF CREW

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can he assure the House that the total capacity of ships made available for the Cape Tormentine-Borden ferry service this year will be at least as great as the total capacity in operation last year, and will the total number of crew be approximately the same?

Hon. Donald C. Jamieson (Minister of Transport): In reply to the first part of the question, Mr. Speaker, I can certainly give that assurance. In point of fact, it is my assessment that there will be an increase in capacity—that is our intention—with regard to passengers and automobiles. In so far as the crews are concerned, I have no doubt that since we are adding two additional vessels to the east coast ferry fleet there will be employment for at least the same number of people as previously. There is a question about which I have asked the CNR to advise me as soon as possible with regard to the disposition of those crews relative to where the ships themselves are going to be used during the summer.

Mr. MacLean: Can the minister assure me, on the assumption that only one of the ferries in operation there this summer will be capable of carrying railway cars, that there will be another ferry available as a reserve which can be quickly brought into service if necessary?

Mr. Jamieson: Yes, Mr. Speaker, I can give that assurance. The proposal—and I emphasize, as I have on previous occasions, that at the moment it is only a proposal—would be to locate the rail-car ferry service in such a way that under normal circumstances it can serve on the gulf crossing but would be readily available, in the event that the *Abegweit* were to have problems on the Prince Edward Island service, to be diverted to P.E.I. within a matter of a very few hours.

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AGRICULTURE

INTERPROVINCIAL MARKETING—REQUEST FOR REFERENCE TO SUPREME COURT

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I have a question for the Prime Minister. In view of the recent ruling of the Manitoba Court of Appeal that persons within a province may receive for consumption or resale agricultural products from outside the province free from any regulation, direction or control by a provincial marketing board—an important interpretation of section 121 of the British North America Act—would the Prime Minister take steps to instruct the Minister of Justice to refer this whole matter to the Supreme Court of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this matter was raised with me yesterday, I believe, by the Minister of Agriculture who is discussing it with the Minister of Justice. The question is presently being studied. It certainly points to the correctness of the line that we have taken at the federal level, that these problems can be settled only by a measure of federal-provincial co-operation.

[*Later:*]

Mr. Speaker: I understand the hon. member for Crowfoot has a supplementary to his previous question.

Mr. Horner: Yes, Mr. Speaker. I direct my supplementary to the Prime Minister. If the Manitoba government takes the position that it should take this question to the Supreme Court, are the Prime Minister and the Minister of Justice prepared to assist in determining the exact interpretation, for the good of all provinces, of section 121 of the British North America Act?

Mr. Trudeau: Certainly, Mr. Speaker. This is one of the matters that the Minister of Justice will be looking into.

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FLOODS

SURREY, B.C.—THREAT POSED BY CRUMBLING OF DYKES

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I want to ask the Minister of Fisheries and Forestry. Has the minister received a request from Surrey, B.C. asking for a meeting to discuss the flood threat which has been raised in Surrey by the crumbling of some dykes that were built in 1912? If so, would he undertake to look into the matter so that any immediate threat might be removed?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, this matter is under joint study with the province of British Columbia.

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FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. It concerns the question I directed to him last week asking what action he intends to take about the 33 per cent increase that the banks have levied on the handling of cheques. He replied at that time that the Prices and Incomes Commission was conducting a preliminary inquiry. I should like to ask the minister whether that preliminary inquiry has been concluded and, if so, what was the result? If it has not been concluded, when does he expect to receive a report from the commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The answer is no, Mr. Speaker, it has not been received and I do not have information as to when it will be. I am sure it will be completed as soon as the commission can do so.

Mr. Speaker: Order, please. The question period expired a moment ago. Will the House allow the hon. member for Leeds to ask a question, after which we will call orders of the day?

Some hon. Members: Agreed.

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NATIONAL DEFENCE

PROPOSED ESTABLISHMENT OF CANEX STORE AT KINGSTON BASE—EFFECT ON MERCHANTS

Mr. Desmond Code (Leeds): Mr. Speaker, I address my question to the Minister of National Defence. In view of the grave concern of Kingston merchants, is it the policy of the government to establish what are known as CANEX stores for the Canadian Armes Forces at Kingston, which will function in direct competition with the retail merchants of that area?

Mr. Speaker: Order, please. I think this is the kind of question that might be considered at the time of adjournment. I realize the hon. member's question is one of importance, but I am wondering whether it should not ordinarily be placed on the order paper or, if there is urgency, considered at the time of adjournment. Orders of the day.

Mr. Dinsdale: Mr. Speaker, I rise on a point of order. While the President of the Treasury Board is still in the House, I should like to inquire when he will next appear

before the Standing Committee on Miscellaneous Estimates.

Mr. Speaker: Order, please. That is hardly a point of order. If the hon. member is asking a question and we must assume it is one which might have been asked during the question period, it can now be asked only with the consent of the House.

Some hon. Members: No.

Mr. Speaker: The hon. member will appreciate that he is not on a point of order. Orders of the day.

[*Translation*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—FAILURE OF GOVERNMENT TO APPLY SOCIAL CREDIT MONETARY POLICY

Mr. Adrien Lambert (Bellechasse) moved:

That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

Mr. Speaker, it is with the greatest pleasure that I have the honour to move the censure motion of the Ralliement Créditiste now before the House, and which reads as follows:

That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

As we move this motion, we have no intention of wasting the time of the House, and we do not feel that we are. During the present session or during the preceding ones, the House was not called upon to discuss bills designed to put an end to the present economic and financial disorder.

Unfortunately the government refused to leave the beaten path and preferred to rely on traditional policies which give no results.

The government was satisfied with offering measures which, until now, failed everywhere else in the world. If the economic situation is so mixed up at present in Canada, inflation is to blame; if there is unemployment at the same time, the Ralliement créditiste is certainly not to blame, it is not because the Social Credit monetary proposals were put into effect. On the contrary, it is because conventional policies once again show their failure. Once again we renew our attempt because we want to awaken the members of the government and of other parties to the policies we promote and to the means we would use if we were sitting in place of the present government.

Before coming to the heart of the matter and proving the failure of the government policy and the reasons for its failure, I should like to call attention to the remarks of those who claim that the failure of Social Credit is a foregone conclusion, that it has been judged, and that economists are content to grant it divided attention. That is precisely the case, Mr. Speaker: Social Credit has been judged and condemned without a fair trial. Those who state its policy are listened to only absent-mindedly. That is the truth of the matter.

With regard to what economists think of it, here is what one of them has to say. Mr. Hutchison, professor of political economy at Birmingham University, wrote this in a book published in London in 1964.

The study deals with the role of the judgments passed by economists on its value, and on the narrow-mindedness they reveal in these judgments, either because of the ideologies they have espoused, their political or social commitments, the selection of biased facts, unverified propositions and finally because of their differences as to the means to reach the ends. I quote from Mr. Hutchison:

If sciences—i.e. positive sciences—follow a straight line, economic sciences follow a spiral. With positive sciences, discoveries add to knowledge. When new truths are revealed past errors are rejected into oblivion. But with economics, we are going around in circles: every generation discovers the same errors as fast as it absorbs new ideas. The reason may lie not in economics themselves but with economists. When young we—the economists—take up theoretical positions and we spend the rest of our lives selecting facts to confirm them.

Thus speaks a modern economist about the so-called economic sciences.

Economics are prejudiced, biased, they spend their time digg ng up facts, disclosing some, hiding others, in order to preserve their status in the universities, get their degrees and maintain their own prestige.

After this digression, I come back to the motion read a few minutes ago to show that Social Credit monetary proposals would bring satisfactory solutions to our economic problems.

What are those problems? Judging from the crest-fallen appearance of government members, they have a great number of problems but no solutions. This is why they are sad, cheerless and have such mournful faces.

Obviously, we are not going to enumerate all those problems. It would be too long, too boring, and I have no desire to rub it in. But still, some of them seem to take it more seriously than others and they ask for special attention and they may even require the members of the government to undertake research work to solicit opinions, to seek advice, as we heard it said the other day by the hon. Minister of Finance (Mr. Benson) concerning his white paper on taxation.

• (3:30 p.m.)

First of all, we must face the problems of inflation, and of price increases. The government says that inflation no longer prevails and that our economy must be expanded. Still, this is surely not the opinion of the Chairman of the Economic Council of Canada who claims that inflation is still prevailing, and who has recently been critical of the government for its attempts at letting loose the economy with the means at its disposal. This is also not the opinion of the officials of the Dominion Bureau of Statistics who have just disclosed that in February 1971, the increase in prices has not stopped and the general consumer price index has gone up by .5 in February 1971.

Neither is it the opinion of the consumers who note a spiral in the price of food, clothes, rents and transportation.

There is also the problem of the 500,000 registered unemployed Canadians in addition to those whom statistics do not take into account since they are "seasonally adjusted" unemployed, ghost unemployed, who only disturb official figures and the rosy dreams of the ministers.

There is also a growing misery which stems from unemployment. More than 1,000,000 Canadians are unemployed which means that their families are deprived of the necessities of life because they are short of money though there is no shortage of goods. Is there a shortage of wheat to make bread? Of milk to feed families and meet children needs? Of cream to make butter which is no more to be found on Canadian tables, because we make do with 25 cents a pound margarine? Is there a shortage of poultry? Of hens so that eggs are scarcely used in Canadian fares? Is there a storage of eggs so that chicken are seldom eaten by the families of the unemployed? No, Mr. Speaker, there is no shortage of wheat to make bread, but the government pays farmers to lay their lands fallow and produce a little less. No, there is no shortage of milk, but the government refuses to subsidize farmers alleging that they produce too much milk, cream and butter. No, Mr. Speaker, we have no egg shortage in Canada, because Quebec, Ontario, Manitoba and the western provinces take all steps to prevent entrance of eggs from other provinces. It has become a problem because there is a surplus. It sometimes leads to violent discussions.

Nor do we have a shortage of apples. In fact, Canadian applesauce producers complain that applesauce from South Africa competes with their own production. Nor is there a shortage of textile products for clothing Canadian families. There is no shortage of footwear for Canadian citizens' feet. Textile mills are closing down, dismissing their employees, lacking a market for their production. Shoe manufacturers complain that Italian, Czechoslovak and Indian shoes come into Canada. Is there a shortage of furniture to give Canadian homes the modern touch? Is there a shortage of wood, of building materials? Is there a shortage of labour for erecting buildings, factories and plants, for housing families and providing jobs for Canadian workers? No, Mr. Speaker. We have plenty of all that. There are also more than 750,000 people who do not produce anything, who would like to receive a salary in exchange for labour, in order to be able to buy the goods and services they need and for which their wives and children are calling.

How does the government react to these problems? It is never still and pretends to be doing something. Ministers make statements, the Minister of Industry, Trade and Commerce (Mr. Pepin) wants to sell as much as possible to foreign countries so that foreigners may have better food, better clothing, better housing and better health, and in the meantime he forgets that thereby prices are rising in Canada, that thereby inflation is spreading whereas our people are hungry, go about in rags and line in substandard housing. That is what the government is doing with its tools in the present system.

What else does the government do? What steps does it take to correct the situation? Two things: First of all, it is not a bit shy about levying taxes, thus adding to the fiscal burden of Canadians and reducing their purchasing power. Government officials do not seem to be unemployed and supply the matter for the publication of white papers, red papers and finally blue books. The whole thing began with the white papers on the Constitution, as if a new constitution was needed for Canadians to eat all they want.

Then, the white paper on taxation was published, which quickly became the red paper, because the proposals it contains, specially with regard to the Canada Development Corporation, lead to individual dispossession and state control over all businesses, on the savings of citizens, in order to establish public concerns, government enterprises, which will finance themselves with the compulsory savings of citizens, through taxes, invested by the government in order to implement the theories of Mr. J. M. Keynes, that is a collectivist economy. That is where we are led by the proposals contained in the white paper on tax reform.

A white paper on unemployment insurance was introduced: that was a great discovery. A white paper on income security was also presented. Those are not legislation, the ministers repeatedly say, but merely working papers, proposals put before the Canadian people, in order to get their opinion, advice, suggestions.

Constitutional matters have been discussed in this House and all over the country at least since 1940, when Ottawa wanted to force the hand of the provinces in order to snatch from them the sole power of taxation which they were in a position to exercise. The question of unemployment and of unemployment insurance has been discussed in the country since 1944 when the Unemployment Insurance Act was passed. The question of taxation also goes back to 1940 when Ottawa took away from the provinces, as I have just said, their taxation rights.

The question of guaranteed income has also been discussed in this chamber since 1944 when the Créditistes entered Parliament, where they made themselves the champions of guaranteed minimum income for everyone, where they pushed the government to pass family allowances legislation, where they urged the government to increase old age pensions. Therefore, there is nothing new in the proposals of the government which is really short of solutions. It says to us: Advise us! Give us some suggestions! We are ready to co-operate with them, but on condition that they leave the beaten paths, that they at least listen to our suggestions and apply the ones we offer.

• (3:40 p.m.)

All too often, unfortunately, the Social Credit's opponents propose arguments such as: if the Socred doctrine is so good, how come it has never been put to the test in another country? To this I could reply: if the telephone is such a good means of communication, how come it has ever been tried before the XIXth century? The man who

invented the telephone did not argue: nobody ever tried it before, therefore I have no right to do it since it has not yet been put to the test somewhere else.

Today, no one denies that the telephone is very useful. It takes only a fraction of a minute to place a call anywhere in Canada and this is very useful. It has been invented by Mr. Bell, a very good man, a chemist, a researcher who came up with the most precious means of communication.

Why is it that Russia did not first start a telephone service on its territory before anyone else? It could have been argued likewise here in America: Russia did not do it, it must not be done here either.

That is a somewhat disturbing line of reasoning, but that is what people do in connection with the theories of Major Douglas at this moment. Why can Canadians innovate in the areas of science, communications and so on, and cannot do so in the field of finance?

Had the firm which produced the first lunar module which landed on the moon reasoned like the opponents of Social Credit on the grounds that it had never been done elsewhere, no device would have reached the moon.

Had Mr. Armstrong reasoned like certain opponents of Social Credit, he who was the first man to set foot on the moon would never have gone. Yet, he went.

Let us be logical. Canadians must be more than a bunch of sheep. We have proved in the past that we could be ourselves, that we could innovate in several fields. Let us prove mankind that we are also capable of leaving the beaten paths, in the field of finance in the public sector, by reforming our financial system so as to modernize it and enable it to serve a society grown modern in the area of production.

Let us apply the following saying: fast and increasingly easy production, fast and easier profits, to allow that abundant and easy production to achieve its end, that is consumption, to meet the needs of all mankind and not only those of a few.

Everyday, men who live in society need a large number of goods and services. In exchange for their work, they receive some money to look after their needs. They give money, coins or bank notes which are instruments of exchange. Although work is the essential factor, we cannot either deny the prime role also played by finance. It gives impetus to the economic life.

To ensure the proper operation of a mechanism, its various parts must be synchronized in order to obtain the desired performance. If automobile manufacturers had modernized their motors by adding cylinders to make them more powerful and if they had persisted in using the same carburetor as the one used on automobiles 60 years ago, surely the distribution of fuel would not be sufficient enough to enable cylinders to operate fully and instead of travelling at 80 miles per hour, a car would only travel at 50.

So, the manufacturers have decided to modernize everything, to change the carburetor in order that there would be enough fuel in every cylinder, to get a maximum output. Motorists nowadays are pleased to find that there are carburetors which respond to the wish of the driver when he steps on the gas pedal.

Mr. Speaker, the same logic applies to our economic system whose production capacity has been exceptionally increased. However, we have failed to modernize our financial system so as to enable a distribution of goods in sufficient quantity in all households in order to satisfy the basic needs of everyone. There is the flaw of our system and we should not be stubborn and maintain it.

The Minister of Finance and those who reject the Social Credit proposals as outlined by Major Douglas might find it interesting to read over again the latter's testimonies before the finance committee here in Ottawa and they would realize that his predictions were right.

It is urgent to change our way of financing the public sector in order to leave to the private sector the monies necessary for more economical operations so that it can meet competition on the world market. This change would also have the consequence of leaving to Canadians a greater share of their income which would increase their purchasing power. That is the core of the problem: insufficient purchasing power in the hands of most Canadians. Social Credit proposes a solution to this problem.

The purpose of the economic life must be human and social if it is to be morally sound. Our economic life must be consumer oriented, because the consumer group includes all human beings. Riches exist for consumer democracy, and not only for producer aristocracy or for the financiers' "Sanhedrin". Consumption must be the true object of production. Without consumption, production has no reason for being. A system that makes fruitfulness of money the main purpose of production is unhealthy, illogical and inhuman, and it is high time that it be changed.

A society will survive if its members are convinced that they can more easily attain their objectives through joint action. Surely they are all looking for a maximum of security, through the ability to satisfy their needs, and for a maximum of freedom.

Abundance for all, a principle which should no longer have to be proven, should mean economic security for the individual. The very small amount of work required of man to ensure such abundance should mean that the individual is assured of leisure time, of economic freedom, etc. Now, God knows what grimaces the words security and liberty bring to our faces. Economic insecurity is almost general. Destitution is the lot of a multitude of human beings, and everywhere, we witness a multiplication of laws aimed at restricting individual freedom. The individual can no longer develop; being no longer able to identify himself, he is ready to surrender submissively to the systems which fail to recognize him.

A study of the monetary machinery reveals that the control and issue of money are in the hands of a private, highly centralized monopoly.

This is a deficiency, because the basis of all financial credit is real credit, and this real credit belongs to the people, that is to the capacity for agriculture, industry

and transport to deliver goods where and when they are required. This real credit is common in essense since it cannot exist without a structured society, a fully operating industry, a consuming public and a government ensuring law and order. The end pursued in the monetization of Social Credit, society's credit, influences the rights of individuals and their mutual relations. The control of this end by the individuals represents on their part an usurpation of the state's function and on the part of the government that gives us this function or fails to take it back, a treason of its mandate and the enslavement of its citizens to the will and fancy of a few tyrants.

Here is what was said a few years ago by Charlie Chaplin, a kindhearted and thoughtful man, who has pondered over human problems. I shall quote him to show how little things have changed since then, and how right we are today, in repeating his words and in trying to readjust our position, in order that the individual may enjoy freedom in moral law and democracy. Here is what Mr. Chaplin said, and I quote:

> We want to help one another and human beings are made just for that. We want to live with the happiness of one another . . . and not with misery. We do not want to hate and despise one another. There is room for all of us in this world. Our good planet is plentiful and can provide for the needs of all. The road of life may be free and bright but we have lost our way.

The government is looking for solutions to the problems facing us. We have solutions to propose. The government is looking for advice, suggestions. We are offering him Social Credit solutions. First: The government wants to solve the problem of prices and costs, that are disproportionate to the purchasing power. We suggest one way of balancing prices and costs to obtain the best of purchasing power, and that is the compensated discount.

Second: Then the government wonders how it can provide the necessary funds to guarantee a minimum income to all Canadians and thus protect them against poverty. The Ralliement Créditiste has suggested the establishment of a national dividend.

Third: The government is seeking means to restart the economy in order to finance production, reopen plants, create new products and insure that the Canadian economy will remain in Canadian hands. The Ralliement Créditiste has a solution to offer.

Fourth: The government wonders how to obtain the necessary funds to finance social development and facilities in the country, the provinces and municipalities. The Ralliement Créditiste has come up with a solution.

These are the solutions which other Créditistes will submit to the House if they are offered an opportunity to do so and if this opposition day is truly what the spirit and the wording of the Standing Orders intend it to be—a day for the Ralliement Créditiste.

• (3:50 p.m.)

[*English*]

Mr. Cliff Downey (Battle River): Mr. Speaker, it is always a pleasure to follow the hon. member for Bellechasse (Mr. Lambert). I have a great deal of respect for him, but unfortunately I am not always able to follow the arguments he presents. I sit close to him and he is such a forceful orator that the power of his words disrupts my translation equipment, so I must apologize for not catching everything he said.

[Mr. Lambert (Bellechasse).]

Thumbing through the record I note that at one time the Liberal party, which now forms the government, opted for debt free money. I go back to November 5, 1962, where, as recorded at page 1290, of *Hansard* for that date, the following subamendment was proposed:

> That the amendment be amended by adding the following at the end thereof: "and replaced with a policy of debt-free money and constructive proposals to foster balanced domestic economy and balanced international trade."

It is interesting to recall that all the financial experts presently in the government supported that subamendment. There was the present Minister of Finance (Mr. Benson); the present Minister of National Revenue (Mr. Gray); the Chairman of our Finance Committee, Mr. Clermont, and I could go through the whole list. There was Mr. Badanai, Mr. Beer, Mr. Drury, Mr. Dubé, Mr. Hellyer, Mr. Honey, Mr. Lachance, Mr. Laing, Mr. Macdonald (Rosedale), Mr. McNulty, Mr. Otto, Mr. Munro, Mr. Whelan, and Mr. Turner (Ottawa-Carleton). All these gentlemen voted for debt free money. That policy might have put them in trouble, but it could not have put them in much more trouble than they have put themselves.

I should like to refer to an article in the *Financial Times* of March 15, written by Bogdan Kipling and Bruce Little, headed "The Painful Problem of Canada's Too-Strong Dollar," in which they identify the financial problems facing the government. I quote:

> The finance minister and the governor of the Bank of Canada can let the dollar go above par—perhaps as high as $1.05 (U.S.) —and seriously damage some of Canada's most sensitive industries or they can take one of several dangerous steps to keep it down.
>
> Either way, there will be serious implications for Canada's long-term economic policies.

The authors go through all the options. They speak of the "misfortunes of Canada's trading partners," and say that there appears to be an over-abundance of riches with our accelerating dollar. This has caused many problems.

> Eventually, it may be the value of the Canadian dollar, not the cost of producing Canadian goods, that could drive our exports out of world markets.

The article continues:

> Some government experts fear that the high exchange rate will start to produce significant loss of jobs within the next couple of months—
>
> No matter how it twists or turns, the government is facing the prospect of a steadily appreciating dollar. But the key point is that such a dollar depresses the Canadian economy at a time when unemployment is high and worse appears to be in store.

The conclusion is as follows:

> Quite simply, Ottawa is boxed in. To make it worse, it has very little way of knowing precisely why the dollar is so strong.

Speculative short-term movements are one thing. The general movement of money out of the United States is another. Such factors may be temporary and can be fought accordingly.

I suggest that our current financial dilemma is well outlined in that article. At the conclusion of my speech I intend to present an amendment, but first I wish to speak on the motion in an endeavour to bring to its consideration a workable alternative to the non-workable socialistic measures which are being advocated from nearly every quarter of this House, and I would say particularly with the greatest persistence and vigour by the government party. The great dilemma facing Canadians is the lack of effective and clear alternatives to our basic economic and social problems. Each party in the House is pressing socialist aims in varying degrees as a panacea. Fortunately, Canadians have always rejected socialism as a national alternative. Whenever an election occurred the alternative of socialism was almost completely rejected.

Unfortunately, the present government party came into power masquerading as Liberals. I am in complete agreement with that growing body of concerned Canadians who believe that if the government's taxation proposals, as outlined in its white paper on taxation, are implemented the ownership of private property in this country will quickly become a thing of the past. I think every member of this House should recall a judgment given by that great American jurist, Oliver Wendell Holmes, when he stated that "the power to tax is the power to destroy." It has become a convenient and dishonest tactic for the government and other socialist sympathizers to attempt to convince the people of this country that our economic and other ills have come about from exploitation of our workers by that segment of our society which has provided the capital input for our economy.

Perhaps most hon. members of the House are not familiar with the economic philosophy of a man named Kelso, a man I believe will eventually become the fourth member of the greatest group of social and economic philosophers known to the western world, the others being Ricardo, Marx and Smith. Mr. Kelso, an American corporate lawyer who presently practices in San Francisco, believes that current economic thinking has overstressed the role of labour in the production of wealth by negating the second factor in its production, which is capital. He illustrates a fundamental dilemma in the American economic system by pointing out that approximately 5 per cent of the population owns the capital that produces 90 per cent of its wealth. Since capital is property, and since it is a basic tenet of our common law that one who owns property is entitled to all benefits which flow from it, it become most evident that the overwhelming proportion of workers in the United States do not benefit under this system because they are not the owners of property. In his theories, Kelso is referring to economic property, which is most customarily possessed in the form of shares or bonds in companies.

• (4:00 p.m.)

The dilemma facing Canadians in this situation is aggravated by the fact that the preponderance of our secondary industries are foreign-owned and, of course, controlled, so much of the wealth which flows from them finds its way outside our country. At this point, it might be a great temptation for our socialist-thinking friends to claim that they have the solution for redistributing the benefits of ownership through our society by imposing taxation measures which take from those who own and give to those who do not. I prefer to think of this as the dependency syndrome in which the government seeks incessantly to encourage our citizenry to believe that they have a right to expect the government to provide for their needs from birth until death.

This same attitude on means of distribution is one which encourages government patronage and can lead to various forms of inequality. There is, I think, a certain attraction to this business of the government distributing to each according to his need in times when our economy is facing serious difficulties, such as it is at present and will likely continue to do for a good many months, if not years. This has already been indicated by the chairman of the Prices and Incomes Commission, although I must admit that he made this appraisal at the cost of some considerable embarrassment to the Minister of Finance (Mr. Benson). Perhaps the minister felt that, out of gratitude for his appointment the chairman of the Prices and Incomes Commission ought not to say anything which detracted from the government's wishful thinking that inflation has been ended, that the country is turning the corner on unemployment and that a new era of sweetness and light is on the near horizon.

This House, Mr. Speaker, has heard members of every party refer at one time or another to automation and the leisure time which will result therefrom. It is also, I trust, apparent to the House that our industry is becoming more and more capital-intensive and less and less labour-intensive. In short, as these past months have borne out rather cruelly for tens of thousands of Canadian workers, machines and not people are producing a relentlessly increasing proportion of our goods and services. When one considers the degrading and dehumanizing tasks which so many Canadians are required to perform in order to earn their living, I think we must in conscience ask ourselves if the concept of full employment is either necessary, desirable or possible. This is true when we look at the number of make-work projects which are currently in existence, when we look at the feather-bedding in industry and at the many current projects in which machines can actually take the place of men. Only ten years ago I can remember some of our major Canadian producers saying "Every man who walks in in the morning is costing us $25; he can be replaced". Today, we are creating jobs but I suggest that a lot of the jobs are unrealistic. There would probably be one-third more unemployment in the nation today if this aspect of make-work projects were removed.

It is surely apparent that the government's solution to the problems of unemployment rests in massive welfare programs. When we look at the unemployment insurance bill which is presently before the House we see that it is

nothing short of a welfare measure in which the dignity of the individual is not only compromised, but in which his basic needs and aspirations cannot be realized without a burden of taxation upon the productive elements of our society of such a staggering nature that industry will simply not be able to carry the burden.

The philosophy of Louis O. Kelso is that property produces wealth, and since wealth is in so many ways intertwined with personal freedom, dignity and opportunities for self-development, the acquisition of property by the broadest possible number of workers becomes a matter of social and economic necessity. Without such an alternative, workers become dependent upon the largesse of a massive bureaucracy administering socialistic programs of the kind which have taken such a destructive toll of once-great nations like Great Britain.

Anybody who watched television last weekend may have seen a program which illustrated the complete breakdown in Great Britain and the resultant unemployment. This situation is largely due to the attitude of the people and the socialistic measures that have been brought to bear over the last years. The basis of Kelso's economic theory is that everyone should be able to purchase a share in the ownership of the wealth-producing capital instruments in society so that he may then receive, in proportion to his labour and property contribution, his share of the wealth produced. I wish to emphasize at this point that when I speak of each citizen in our society owning a portion of the capital means of production, I am offering this as a clear alternative to what others think is really the same process whereby in socialist countries, the state, supposedly in the name of every individual, owns the means of production. When the state owns the means of production, then it also controls the distribution of the wealth which flows from that ownership. I earnestly hope that the examples of the production of wealth in existing socialist states are such as to discourage us from considering further this type of social arrangement as a desirable one for Canadians.

I might say that we have gone far down this road when 35 per cent of our total product is now taken in the form of taxes. I compare this with Japan where 16 per cent of the wealth is taken and even with Australia, which is comparatively socialist, where only 21 per cent of the total wealth is taken by the state.

In summarizing the essence of the economics of Mr. Kelso, I wish to quote the following from an article on him which appeared in *Time* magazine of June 29, 1970. This article, refers to the plan that he proposes for enabling the workers to become shareholders in industry, and it reads:

> The plan might begin by helping the poor and unemployed. An eligible borrower would go to a bank and obtain, for example, $4,000 a year for five years (or $20,000 all together) to buy stock in corporations. The bank, protected against loss by the government insurance, would put the money in escrow; a trust officer would buy a diversified portfolio of dividend-paying shares. Kelso figures that the stocks would ultimately pay for themselves through dividends. Thus, the borrower could pay off the loan, then own the stocks outright and enjoy a dividend income from $20,000 of capital.

[Mr. Downey.]

> At present, a $20,000 portfolio of highgrade stocks generally pays about $1,000 a year, or 5 per cent in dividends. But Kelsonian economics calls for a return of at least 20 per cent, or $4,000 a year—a level that Kelso figures could take five million families off the welfare rolls in five years. To increase the dividend payout, Kelso would gradually abolish corporate income taxes and require companies to distribute all of their earnings to stockholders. Kelso maintains that the government's revenue loss would be temporary and bearable. One reason is that rising personal income tax collections would greatly offset the gradual decline in corporate tax take. He also foresees a decline in government expenditure for welfare and make-work activities—subsidies for uneconomic farms, dubious construction and military projects—that, by his estimate, now occupy one-third of the U.S. labour force.

The economic theories of Louis O. Kelso are beyond summarizing properly in the time at my disposal. I do, however, urge all thoughtful members of the House to study these books: "The Capitalist Manifesto" and "The Two Factor Theory: The Economics of Reality", brought out several years ago. These works explain at length why and how we can free ourselves from the suffocation of socialism, allegedly the only alternative to the worst features of a capitalist, free-enterprise society.

• (4:10 p.m.)

In an article in the American Bar Association Journal of February, 1960, Louis O. Kelso wrote:

> The abandonment of the goal of full employment and the setting of the goal of full participation in the production of wealth, either through the ownership and exercise of labour or the ownership and wise husbanding of capital, as the state of technological change dictates, is, I am sure, the one possibility open to us to avoid the collectivization of our economy, and the disappearance of freedom from our society.

In conclusion, Mr. Speaker, I wish to move the following amendment:

> That all the words after "House" be deleted and the following substituted:
>
> —blames the government for not adopting fiscal and monetary policies designed to effectively bring about full expansion of the economy with minimum inflation.

Mr. Deputy Speaker: Order, please. The Chair has some doubts about the acceptability of the amendment from a procedural standpoint. I would be pleased to hear from hon. members if they wish to be of assistance. Hon. members may be able to convince me otherwise, because I have an open mind on the matter, but it seems to me that we must start from the proposition that the hon. member for Bellechasse (Mr. Lambert) has moved a motion, as his group is entited to do under the particular proceedings today. I quote his motion:

> That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

The motion regrets the failure of the government to apply a particular policy. The amendment moved by the hon. member for Battle River (Mr. Downey) seems to substitute another philosophy or policy for the one moved by the hon. member for Bellechasse. Without accepting the proposed amendment as being procedurally correct, I will just refer to it. It "blames the government

for not adopting fiscal and monetary policies designed to effectively bring about full expansion of the economy with minimum inflation". It seems to the Chair that this is really not an amendment to the motion.

I think the amendment would have to follow the stream, if I may use that expression, of the main motion, because, it would be unfair to the hon. member who moved the motion if the amendment enlarged the debate to the point that there was no focus on the motion. These are my preliminary thoughts. If hon. members would like to assist me on the procedural problem, I would be pleased to hear from them.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the amendment proposed to the Chair, in my opinion, is of such a nature as to replace completely the motion I had the honour to move.

If our parliamentary system really respects, as I believe the rights of all hon. members, simple judgment tells us that another member should not be permitted to propose an amendment that nearly wipes out the whole motion, leaving only three words: "That this House".

I am quite ready to believe that this was done in fun, but we are not here to amuse ourselves but to work seriously and study proposed, existing and known solutions. They are trying to take advantage of the day which is allotted to us, in a democratic manner to explain to the House these resolutions which might help the government to settle the problems. This system is indeed not perfect. Nothing is perfect on earth but, at least, we believe that these proposals are logical and serious.

As far as I am concerned, I consider that the amendment as presented should not be accepted for the reasons I have just mentioned because it does away with the real sense of the motion that I had the honour to move.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I support the position that Your Honour has taken, even though thus far you have taken it only tentatively. I hope that Your Honour will rule the proposed amendment out of order so that the debate can continue on the subject that was put down. We should recognize, in all fairness, that this day having been allotted by agreement amongst the opposition parties to our friends of the Ralliement Creditiste, it should not be possible for one of the other parties to take back the day in this way.

I have been able to put my finger on a couple of citations that are on our side of the case. Citation 205(1) at page 174 of Beauchesne's Fourth Edition reads:

> It is the practice in the United Kingdom House of Commons that an amendment to a proposed amendment (called a sub-amendment in Canada) cannot be moved if it proposes to leave out all the words of such proposed amendment. In such a case the first amendment must be negatived. This rule is now accepted in Canada.

I realize that the hon. member for Battle River (Mr. Downey) does not strike out all the words of the main motion, but does strike out all but the first one or two, so the effect is the same. The reference in Citation 402(3) at page 284 of Beauchesne's Fourth Edition is also helpful. It is true that this refers to proceedings in committee on clauses of a bill but I think the principle is sound. I quote:

> It is irregular to propose to leave out all the words from "That" to the end of a clause in order to substitute other words, as such an amendment is in the nature of a new clause.

What the hon. member for Battle River is trying to do by this amendment is to offer a substantive motion, a different proposition altogether, that should appear before us only by notice. We have the right to have notice on these opposition days. This must be done the day before the debate takes place. Yesterday, we were given notice of the subject that was laid down by our friends of the Ralliement Creditiste. In all fairness, I think it should stand that way.

I realize that there will be no vote on this, so there is no serious effect as far as the speeches are concerned. The subject is pretty wide. However, even in that connection I point out that if there were a vote at some stage of the proceedings, and if the proposed amendment was allowed to stand, it could be voted on and defeated, with the result that we could then get back to the main motion. If this amendment were allowed that would not happen, for technically we would spend the whole day on the amendment presented by the hon. member for Battle River. I am not taking sides at this moment on the question of Social Credit monetary theory or of Conservative monetary theory, though perhaps either would be better than what we are getting from the government on the other side of the House. It does seem to me, though, that bearing in mind the rules of procedure as well as those of ordinary fair play, the motion should not be amended in this way. I am not saying that all amendments on opposition days are out of order; an amendment which would qualify or add to a motion before the House might well be allowed. Nevertheless, I think an amendment which would strike out completely what has been set down and propose something else altogether is not in keeping with the rules of procedure or the rules of fair play.

• (4:20 p.m.)

Mr. Downey: Might I say, Mr. Speaker, that it was not my intention to be facetious or to take the motion put forward by the hon. member for Bellechasse lightly. I realize it is doubtful whether, in a procedural wrangle, my words will be given as much weight as those of the hon. member for Winnipeg North Centre. I will simply say that my purpose was to clarify a situation which, it seemed to me, was a little on the nebulous side, in order that we might all participate more fully in the debate.

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I listened with great attention to the remarks of the previous

speakers and I also read the amendment. There is no doubt that the object of this amendment is simply to eliminate the main motion, which is certainly not a show of fair play.

It would mean that all speeches would be related to the amendment rather than the main motion and I believe as do the previous speakers that this amendment should be rejected.

[*English*]

Mr. Deputy Speaker: The Chair would like to thank hon. members for their contributions and assistance on the procedural point. Is the hon. member for Battle River rising on a point of order?

Mr. Downey: Yes, Mr. Speaker. If the House is in agreement I shall be pleased to withdraw the amendment in my name.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: As the hon. member rose, I was about to make a ruling which may or may not be helpful. In any event, I appreciate the hon. member's gesture. Perhaps, though, I should put on record in *Hansard* my thoughts as to the admissibility of the amendment. I think I should confirm my first reaction to the amendment put forward by the hon. member for Battle River; hon. members who have spoken in the procedural debate have fortified me in this respect. It does seem to me that what we are considering here is something more than an amendment; it does more than qualify or amend the motion moved by the hon. member for Bellechasse inasmuch as it provides the basis for an entirely different debate. On this ground alone, it would have to be ruled out of order.

Moreover, as hon. members, particularly the hon. member for Bellechasse, have mentioned, it does seem that when, under our rules, opposition parties agree as to the election of a subject on a particular day, the spirit of fair play would require that the day should not be taken away by means of an amendment.

I might also say—and the hon. member for Winnipeg North Centre mentioned this in his helpful argument—and it seems to me that the provision in our Standing Orders requiring notice would be useless or, at best, irrelevant, if, one group having given notice, the motion were to be amended so as to make it possible to deal with an entirely new aspect of the matter. I am not being critical of any amendments, but I am excluding the validity of an amendment which does entirely reverse the argument, or the stream of the motion. I am sure effect must be given to the Standing Order which requires that notice be given. For those reasons I must rule the amendment out of order.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, it is obvious to me that the motion which is the subject of today's debate raised various responses in the mind of some hon. members.

That can be explained easily enough. A good number of members seem pleased with the present system and do not suffer too many inconveniences through it, at least not enough to be convinced that it would be a good thing to change it. Some already have strong views as to the kind of system they would like.

I wish to point out that I respect their opinion and add that everybody has a right to his own opinion provided it does not distort truth. The object of this motion, which I am pleased to support, is to direct the debate towards an understanding of present economic problems, in trying to forget our differences on party interests and in examining facts in an objective way.

• (4:30 p.m.)

All hon. members will agree that all kinds of goods are plentiful in Canada. At times, we hinder production through the enactment of restrictive pieces of legislation, like those which control milk quotas and restrict wheat acreage.

Finally, the Canadian people are paying several million dollars to get less bread and milk. Such a restrictive policy applies at a time when 25 per cent of Canadian families are short of bread, milk and other food products essential to public health, when they only want to live decently in a country endowed by nature of all the resources likely to provide each and everyone with freedom and security.

The picture is already gloomy enough without a host of unemployed reading newspaper and other ads for jobs, trying to remain calm, while explaining to their wives and children what is going on.

As representatives of people a quarter of whom are facing unemployment, hunger and hardship, we have no right to expect that a solution to these problems will crop up automatically, as a result of favourable circumstances.

If we are unable to improve the condition of those thousands of poor people in a country where resources are plentiful, we are not qualified to represent them and we should at least be honest enough to recognize this fact.

I assume that the various means that were tentatively applied to ensure a more equitable distribution of goods have been tried earnestly and in all good faith, but we all find that the results fall short of expectations. One must be under the spell of ominous influences or be short-sighted to refuse to change position. Eventually we shall have to ask ourselves who is responsible for the rowdy demonstrations that are staged occasionally. To all those who want to hear the voice of moderates, I might say that today's extremists are, in several cases, yesterday's moderates who have lost patience.

Under those circumstances, the members of the Ralliement créditiste are proposing an economic formula for the distribution of property and suggesting a basic reform of our monetary system. According to true philo-

sophic principles, we believe it is more important to try and do good than fight evil.

Social Credit is the result of findings and analyses made by a competent engineer. Major Douglas was able to find the evils in the administration of the present capitalist system. From this he drew conclusions and indicated how to correct the flaws of the system. When he found that the production capability was the result of inventions and of technical improvements which would never have occurred without life in society, he endeavoured to find a way to distribute the already existing products.

To get a proper idea of what would become of human relations in the economic life, in the social and political areas, they must be studied under an economic climate free from tyranny and financial nonsense.

During the week of the anniversary of the death of a great man, Abraham Lincoln, I read the editorial of April 29, 1970, of the CFCM-TV station which was entitled "Something to think about". In fact, Abraham Lincoln, has great achievements to his credit, and the role he played in American history has proved decisive. Among the famous words we owe him are the following, which invite to reflection:

> Prosperity cannot be created by discouraging savings. The weak cannot be strengthened by weakening the strong. The worker cannot be assisted by destroying his employer. Fraternity cannot be promoted by inciting the hatred between classes and the poor cannot be helped by destroying the rich. His security cannot be supported with borrowed money. Troubles cannot be avoided by spending more than is earned. Will and courage cannot be fostered by depriving a man of his initiative and independence. A man cannot be assisted in a lasting manner by doing in his place what he should himself do.

This advice was given over 100 years ago and although it may seem a bit old-fashioned today, it has not lost any of its substance. There is nothing older than universal truth and nothing more up-to-date either.

Whoever has studied the history of the U.S. knows that no less than Abraham Lincoln himself was dominated by bankers who were using their credit with the masses to issue currency to control public authorities. Lincoln challenged them and issued money—known as Lincoln greenbacks—against the nation's credit. The *Harvard Circular*—a banking publication wrote on this occasion:

> Greenbacks should not be allowed to be used as legal tender because we have no control over this form of currency. But we can control debentures and, by this means, we can control bank issue. Bankers were able to bring enough pressure to bear on congressmen to pass the National Banking Act of 1863, over the objections of their archenemy Abraham Lincoln.
>
> When the act was passed, the Rothschild brothers wrote, on June 25th, 1963, as follows: "This act gives the National Bank almost complete control over the nation's finances. The few people who understand the system will either be interested in its profits or be so dependent upon its favours, that they will not oppose it ... the majority of the people, mentally unable to understand it, will bear the burden without complaining, and perhaps without even suspecting that this system works against them."

In spite of all objections, Lincoln fought throughout his life to establish a financial system that reflected the economic reality. Unfortunately, he did not have the opportunity of attaining his goal, and history relates the tragedy of April 14th, 1865.

I could continue to mention some of the events that took place during the administration of the President of the United States, John Kennedy, but I will bring my remarks to a close by adding, basing myself on history, that Jefferson, Jackson, Lincoln, McFadden and Kennedy were also right. All were great patriots who fought to make the financial system more flexible, since it was greatly prejudicial to the American nation.

Franklin Roosevelt himself stated the following in his inaugural address during the 1929 depression and I quote:

> We have not been devastated as a result of some invasion, abundance is within our reach, but we cannot use those assets in spite of their abundance.

The hon. member for Bellechasse (Mr. Lambert) pointed out that economists have conflicting views and that their prejudices are due to their training, their preconceived ideas or their political and social undertakings.

All those who have some notion of political economy are struck by the contradictions, the divergent theories made public by economists, even those who are world famous.

• (4:40 p.m.)

If you go as far back as the great philosophers of Ancient Greece, you find for the first time in Plato the beginning of a coherent economic philosophy, where he has imagined the integral communist society, in which all citizens would be on an equal footing.

Some 50 years laters, that is approximately 350 years B.C., Aristotle declared war on this communism as well as on the equalitarian policy proposed by Plato, because, in his opinion, common ownership is a source of division and quarrels, and deprives the citizens of the legitimate enjoyment of personal property.

It is only in the Middle Age that the teachings of St. Thomas of Aquinas came out as a justification of private property and a condemnation of communism and socialism.

Later many economists proposed free trade while protectionists insisted on high customs tariffs in order to protect national industries. These differences go two centuries back and are not over yet, countries being at times free traders and at times protectionists, according to their immediate interests. It cannot therefore be asserted that there exists in these matters a theory which is sure and recognized by all.

Two thousand years after Plato, the socialist thought surfaced again with the advent of its main theoretician and propagandist, Karl Marx, and his followers.

Today the world is divided between socialism and capitalism, of various shades, according to the degree in which government interferes with the citizens' business and the managing of the national economy.

Therefore, one may conclude that no existing economic doctrine deserves a special place and is completely superior to the others, and no more so are the economists who advise the government at the present time or those who were its advisers two, three or five years ago.

Evidence of this is to be found in the statements made by the hon. senator Lamontagne, former minister in the Pearson cabinet and main economic adviser of the latter.

At the annual meeting of the Canadian Corporate Management Company, held in March 1970, Senator Lamontagne had this to say about this liberal government's policy to control inflation:

In his last budget statement, the Minister of Finance admitted that the Canadian economy during the 1970-71 fiscal year would "carry on at a slower pace than in 1970 with respect to its total capacity".

Mr. Benson then added:

"If we are to be concerned only about the pressure of the total demand on our productive capacity and our markets, no further action would be required". But immediately he made known his plan to restrict consumer credit thereby hitting the poorer citizens harder and weakening still more the sector of our economy which is the weakest, that is the durable goods sector.

The Governor of the Bank of Canada was of the same opinion when he wrote in his report that:

"The restrictive measures are not intended to slow down the economic progress for its own sake but they are taken as means of lessening the price and cost increases for the purpose of establishing economic expansion on a sound basis".

These statements and others of the same category made in the United States, for instance by Arthur Burns, lead me to question the philosophy which was accepted during the post-war years in relation with the implications of fiscal and monetary policies in the fight against inflation. I suggest we are witnessing in this field, here and in several other western countries, including perhaps the United States, the worst aberration since the depression that hit the world in the thirties.

According to the Créditistes, the point is to move surplus goods towards the consumers.

Since there is a national inventory level, it is obvious that an efficient demand from the consumers would provide the kind of economy we want, that is one which would use all the modern methods of production and which, at the same time, would offer job opportunities to all those who are both able and anxious to work.

Let us assume therefore that, through some device, we could obtain this effective demand. What would happen? The goods which are presently held up in stores and warehouses would come out and, in the market society we are familiar with, dealers would pass orders on to wholesale dealers and the latter to manufacturers, which would stimulate economy, speed up production and make jobs available to thousands of unemployed, while the consumers might satisfy their needs.

Therefore, we proposed the following changes to the existing banking system: (a) that the available funds be scientifically controlled and determined by the national inventory of stock of saleable production, which would be computed in a scientific way and at regular intervals according to needs; (b) that the Bank of Canada become the only creator of all supplementary available funds Canada might need; (c) that all available funds created by the Bank of Canada be channelled through a national credit account; (d) that all amounts in the national credit account be allocated to satisfy the people's needs, according to its will as expressed by its representatives in this chamber.

This is, Mr. Speaker, how the Ralliement Créditiste would achieve by various means of distribution better living for all Canadians without destroying personal initiative, without infringing upon the freedom of any citizen, without intervening directly in the production of wealth.

[*English*]

Mr. Max Saltsman (Waterloo): Mr. Speaker, this seems like a day to deal with financial matters and to make some suggestions about monetary policy. Since we are considering some special projects in relation to the whole question of organizing our monetary system, I should like to put some suggestions to the House. I am rather pleased to see the President of the Treasury Board (Mr. Drury) in attendance, as he might be interested in these ideas. He might even propose some of them to his colleagues.

Let me suggest that the House give consideration to a column written by Mr. Douglas Fullerton for the Toronto *Star* in 1967, and which carried the heading "Let's buy out these U.S. Giants". We, in Canada, are very much concerned about the takeover of our economy. What is of even greater concern, now that the evidence is before us, is that this takeover has been accomplished with the use of our own money. Let us turn the tables and buy out United States companies with their own money. This is the suggestion I should like to put forward. Let us not condemn the people of the United States for competing with our industries. Let us not feel sorry for ourselves because of these takeovers. Let us learn from this experience, and profit from the examples which are before us. The United States people have taken over certain corporations in such a graceful way that we cannot be anything but encouraged. Perhaps we can do the same thing.

Perhaps as Arnold Toynbee said, when faced with this challenge of survival, we have to run the risk of accepting responsibility, and from the edges of diversity we draw victory, or something along that line. How do we do this? When looking across the aisle, I see that the President of the Treasury Board has already got the idea of how to do it. Very likely he has even thought of this himself on occasion but perhaps has not worked up enough courage to put it to the Cabinet as a government proposal. Perhaps we should encourage him along these lines.

The suggestion that Mr. Fullerton made in his article was that we should use our reserve funds instead of sterilizing them in U.S. government securities, as we are now doing. He suggested we should use these reserve funds to buy equities in United States corporations which are buying into the Canadian market. He suggests that we should forget about the branch plants these compa-

nies have here because these are small potatoes. We should go to the head offices and buy them out. Let us take over control of the head offices of these United States corporations. In this way, we can indirectly control the effect they have on our economy. This is not as far out an idea as it may seem. The fact that no one has undertaken this approach does not mean it is impossible. Surely, Americans would not be critical of our taking over their corporations, in view of their record of taking over our corporations. We should use their arguments to justify the taking over of their corporations to our own advantage.

We could persuade them, with the same arguments, that what we are doing is in the national interests of the United States. At the moment, we have about $4 billion in our foreign exchange fund. That is a very sizable amount. We could use this money to increase our foreign investment in United States companies. We should learn from U.S. experience in Canada, because this is how they have been buying us out. We could very well borrow from United States money markets, as the U.S. has done in Canada. We could be backed up by U.S. capital for this purpose. We could also provide incentives to Canadians to invest in United States holdings. We could make these equities available to corporations such as the Canada Development Corporation. With little difficulty we could make such investment worthwhile to Canadians.

• (4:50 p.m.)

Since we are to have a Canada Development Corporation, we could use it as our investment instrument. I realize this is not what the government had in mind for the CDC. It hopes the CDC will simply be put on the market and quietly disappear from the Canadian conscience as just another corporation. But I believe a much better role could be designed for the CDC. This is one of the roles. Let us look at some of the suggestions or examples Mr. Fullerton gave in his article. The article was written in 1967 when our foreign exchange reserves were about half what they are now. I quote:

> Suppose, for example, we had sold $500 million in gold from our reserves in 1945 and put the money into General Motors Common stock, reinvesting the dividends since. The original stock would now be worth $3,500 million, but reinvestment of the dividends would have more than doubled this figure.
>
> In fact, we would now own one-third or more of General Motors stock, effective voting control (disregarding the effect our buying might have had on the price of the stock). Or take Chrysler—even as late as 1955 we could have bought control of it with $200 to $300 million.

He then makes some suggestions concerning how we would spend $3 billion or $4 billion in buying American equities. He is talking about 50 per cent ownership in these corporations. I realize the figures would be somewhat different today because this was three years ago, but in essence I believe the general study is just as valid today and will serve as an indication of what is possible. He says:

> So there we have a pot of $3,000 to $4,000 million. What stocks do we aim at? To stretch the money farthest we could do well to shoot at secondary companies in each industry, not No. 1. Everyone can make his own shopping list and here's a possible one:

Automobiles—Chrysler	800
Banks—First National City Bank (who else?)	800
Computers—Honeywell	500
Electric—Westinghouse	900
Chemicals—Merck	1,200

This would give us a 50 per cent control of these companies. Very often we would not require a 50 per cent investment because we could probably obtain control for far less than that. The other day I asked the Minister of Finance (Mr. Benson) whether he was giving any consideration to changing the Canadian law about eligible assets in the exchange fund. At the moment, the exchange fund is very restricted concerning the type of assets which may be held. The minister's reply was that under the law of course he could only hold certain things and would need parliamentary approval to change that situation. I for one, and I believe others in this House, would be quite happy to see the Minister of Finance ask for parliamentary approval to permit him to hold other than United States treasury bills, as he is permitted to do now, in order to obtain greater flexibility. The exchange fund fluctuates from time to time. The question is, what happens if you need more or less money when your funds are invested in common stocks which you cannot liquidate immediately. I think the answer is obvious. Since we are talking about blue chip stocks, surely the banks, which are willing to lend money to foreign corporations in Canada, would not be averse to lending money to the government against the stocks it held in foreign corporations. I think that could be arranged in a way that would not be unsatisfactory.

From the United States point of view, in many ways this procedure would help their balance of payments position. There would be foreign capital coming into the United States at a time when the United States is quite concerned about its balance of payments. The result would be rather good for that country. I do not mind at all helping the United States in this way since it has helped us. I believe the kind of debate in which we are engaged today lends itself to some of these original suggestions. I make them in the hope that the President of the Treasury Board will take a very serious look at them and consider that we do have a rare opportunity, if he wishes to use his imagination, to make a rather unique attack on foreign ownership, not only in Canada but in United States as well.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, the motion proposed by my hon. friend from Bellechasse (Mr. Lambert) gives me the opportunity to criticize the economic policy of the Liberal administration.

I am glad to use the few minutes at my disposal to criticize the present government's lack of a definite policy which is responsible for the stagnation we encounter at present.

Mr. Speaker, in a study entitled "Performance and Potential mid-1950's to mid-1970's", the Economic Council

of Canada has defined what should be the economic objectives of the nation. Here are these objectives:

(a) full employment—3.8 per cent unemployment;

(b) a high level of annual growth—an increase of 4½ per cent of the gross national product;

(c) reasonable price stability—an annual growth rate of 2 per cent in price increases;

(d) a viable balance of payments, i.e. a balance of payments where foreign exchange funds would not be submitted to undue fluctuations (for a set rate of exchange);

(e) an equitable distribution of ever-increasing incomes.

• (5:00 p.m.)

It is important to point out that the Trudeau government has never questioned the validity of these objectives. We should therefore take for granted that such objectives as defined by the Economic Council are also those of the government.

The Canadian economy has three very specific characteristics:

a) wide regional disparities.

b) a great dependence upon foreign trade;

c) a great dependence upon one trading partner.

An economic policy which would not take into account this reality is doomed. The Progressive Conservative party must promote unequivocally those objectives. My leader (Mr. Stanfield) has mentioned that many a time in the House and outside the House. Since these objectives are consistent, they can be achieved simultaneously.

The Trudeau government first tried to come to grips with inflation, then with unemployment and finally with economic growth. That approach was basically wrong. It implies that the government considers those economic objectives to be separate and therefore to be achieved separately.

We would be justified in claiming that these are the views of the present government and in charging it with incompetence in the management of Canada's economic affairs.

What are the weaknesses of the present government's economic policy? The Trudeau government has shown an incredible lack of imagination in the application of its economic policy. This lack of imagination has been evident in the fight against inflation; this government has deliberately and stubbornly increased unemployment to such an extent that in the province of Quebec, for instance, the unemployment rate exceeds 10 per cent. Canadians have been forced into a choice between giving a job to every citizen able and willing to work and controlling prices. And even then, Mr. Speaker, we have not reached the degree of price stabilization which had been advertised by the government.

More concerned with elections than the welfare of Canadians, the Trudeau government has finally decided to fight unemployment, now that it is about to call new elections.

What are the weaknesses of the present government? First, it has been unable to lick inflation or to bring prices down because it has developed institutions and policies geared to long term price stability. Price stabilization brought about a loss of potential and an increase in unemployment, which are both unacceptable.

Secondly, the Prices and Incomes Commission has used the workers as scapegoats to justify the government's policy.

Thirdly, the government has created a succession of upswings and downturns instead of preparing a consistent policy of economic growth.

The economic policy of this government is devoid of imagination, outmoded and unable to prevent an economic slowdown or bring about an economic upsurge. One cannot deny that the economy is given a new impetus but one may question its timing and quality.

The main argument that can be put forward is that the government is certainly not the best architect of our future prosperity.

Mr. Speaker, we may question the projection, namely when will that new impetus be given to our economy. The Minister of Finance maintains that it will happen during the second half of 1971. It is the general belief that it will occur much later, contrary to the predictions of the Minister of Finance.

Secondly, we also have reservations as to the quality of that economic upswing. There is no guarantee that it will not be accompanied by a new inflationary thrust. This government has failed to establish any institution or policy likely to ensure that prosperity will not be accompanied by inflation. Therefore, if the quality of the economic upswing is being questioned, the part played by the government must also give rise to doubts.

Any Canadian likes to be sure of getting a real income increase, a decent home for his family and reasonable employment stability.

It is unfortunate that the government managed the economy in such a way that all citizens suffer from it.

We are often asked what we would do if we were the government and if our party was at the helm.

We have often listed the steps the government should take, but our suggestions, as well as those of government members, have always been ignored. At the risk of seeing the few suggestions I have to make ignored once more, I will make them again in the hope that the government will finally understand them.

Mr. Speaker, a government headed by the Leader of the Opposition (Mr. Stanfield) would try to restore the economic situation which the Canadian people deserve.

A Progressive Conservative government headed by my hon. friend, the Leader of the Opposition, would strive first of all to increase our productivity. An increased productivity is the basis of a balanced economic cycle. When productivity fails to increase, salaries go up. The war on profits and prices, waged by businessmen, workers, and the government would restore a sound economical climate in Canada.

A Progressive Conservative government would set up a federal body whose only task would be to consider and submit recommendations on how to achieve better results.

• (5:10 p.m.)

By its poor administration of its economic policy this government has reduced our business potential. Improved productivity means higher salaries and profits and better consumer products.

Such conditions would place Canada in a much stronger position on the international scene and allow the Canadian people to buy more foreign goods with less Canadian money. An increased productivity would allow us to consider many economic alternatives; increased revenues would enable us to support the cost of an even more progressive social legislation.

We know that family heads have constantly increasing difficulties, and that with a better economic climate the government would be in a better position to face its responsibilities in that respect.

A Progressive Conservative government would endeavour to establish institutions and policies likely to minimize unemployment and inflation. We suggest a body similar to the Prices and Incomes Commission, but somewhat improved. Under this government, the Prices and Incomes Commission was essentially anti-inflationary. Under a Progressive Conservative government, the Commission would be a government body pursuing anti-inflationary policies.

Under this government, the only contribution of the Commission was the 6 per cent limit imposed on salary increases. Under a Progressive Conservative government, the Commission would recommend means to achieve that objective to government, industry and labour unions.

That way of dealing with the problem is altogether different and more efficient than the one taken by this government. The Commission should set itself not to know where there is an increase in prices, but rather how to control them.

That is the importance of the work of a commission, if we are actually willing to obtain encouraging results which could be beneficial to the people. When establishing the Prices and Incomes Commission, the government failed to define adequate terms of reference. That Commission could not discharge completely its terms of reference because it did not have all the necessary powers.

We suggest that a regional fiscal and monetary policy materially accompanies the management of the economy of the federal government without at the same time having disastrous effects on the different areas of Canada.

Under this government, economic decisions are taken as if Canada were an homogeneous economic entity, which indeed is not the case. Canada comprises not one but five economic regions, with different potential, economic and cultural aspirations.

As long as the necessary measures are not taken to make allowance for those differences in potential and aspirations, any commission entrusted with solving problems will work in a vacuum and fail to achieve concrete results.

In view of the present economic uneasiness and of the slow economic recovery, again we propose a tax reduction; secondly, the fiscal reform needed to meet current obligations, better distribution of taxation, stabilization of the dollar, establishment of a survey on productivity in order to know exactly what the possibilities are in this field and, finally, establishment of a comprehensive housing policy.

Construction is one of the main economic activities in all areas of the country. We support the recommendation of the Economic Council of Canada that the government undertake a study on this industry, a provincial and federal review of the responsibilities of the various levels of government in this field. We would suggest that special attention be given to the various techniques liable to increase productivity in the construction field.

We are cognizant with the ill-effects of the 11 per cent tax on building materials. We propose that this tax be eliminated in order to boost construction, and also that a comprehensive system be established to enable the government to report and proceed with short-term economic projections.

In 1964, the Economic Council of Canada was created for the purpose of making long-term economic projections. We would vest upon a revamped Prices and Incomes Commission the responsibility of effecting short-term economic projections. It is important to establish a long-term policy, but what we need now is a short-term policy likely to solve current problems, and should the government heed the advice of the opposition, I am satisfied that its work will be more efficient and more in line with the aspirations of the whole population of Canada.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the Questions to be raised tonight at the time of adjournment are as follows: The hon. member for Fraser Valley West (Mr. Rose)—Air Canada—Suggested employment of native Indian girls as stewardesses; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Status of Women—Designation of minister to study commission report; the hon. member for Surrey-White Rock (Mr. Mather)—Consumer Affairs—Mark 10 cigarette coupon promotion.

[*Translation*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—FAILURE OF GOVERNMENT TO APPLY SOCIAL CREDIT MONETARY POLICY

The House resumed consideration of the motion of Mr. Lambert (Bellechasse):

That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

Mr. Romuald Rodrigue (Beauce): The hon. member for Bellechasse (Mr. Lambert) and the hon. member for Kamouraska (Mr. Dionne) have outlined the present situation. According to their statements, an impressive quantity of products now find no markets because consumers cannot afford to buy them.

We know that stocks of finished or semi-finished products remaining on the shelves in stores and warehouses, or even raw materials, in effect paralyse production since owners only operate plants when there are prospects of selling their products or of making profits. We know that the total amount of unsold products can be easily surveyed by the Dominion Bureau of Statistics. We know also that such stocks are for our country an asset to be likened to Canada's real credit, which is to provide the citizens and the whole population with a sufficient quantity of the goods and the services they would expect from a well organized society.

We laid down the principle that this real credit must be issued by the central bank, namely the Bank of Canada, and deposited in a national credit account belonging to all Canadian citizens.

It remains to be seen how these real credits will be assigned proportionately to each individual.

The Ralliement créditiste proposes some means to effect the distribution of those credits, means that reflect the actual credits equal in value to the total inventories at the end of a given period in a production cycle.

Let us assume that at the end of a year, the total inventory of these unsold goods amounts to $10 billion and that the people asked their representatives to proceed to the distribution of these surpluses. According to the requests made to the people's representatives by their constituents and according to the needs of the people, the legislators can distribute equitably these goods and riches through various means.

The first solution is certainly one which would enable families and all those who live under the poverty line to obtain part of the wealth, in order to get out of destitution and poverty and to enjoy such goods and services as the Canadian production is able to provide for them.

On several occasions, government members have voted against the principle of establishing a destitution and poverty line and of paying to each individual and family what they lack in income in order to ensure them a decent minimum under the form of guaranteed minimum income, through the negative income tax formula. In the white paper on social security, on the contrary, ill-assorted and complex formulas are suggested which will result mainly in increasing red tape, circulation of forms, investigations of all kinds without concern for the families who already are living beyond the poverty level.

[The Acting Speaker (Mr. Richard).]

A government of the Ralliement Créditiste party would definitely not hesitate to implement such a policy and one of the first measures it would pass would be to abolish all income tax in the case of single persons having an income of less than $2,000 and in the care of married people having an income of less than $4,000, and to supplement by means of corresponding allowances individual incomes below these two figures.

Another measure which is easily applicable and ardently desired by the population would be to increase the amounts paid to pensioners. Considering present production and the unused production facilities, it would not be too much to pay immediately a minimum of $150 per month to every person 65 years of age or over and to his or her spouse, even if the latter has not yet reached that age.

Those are the measures urgently needed to improve the social allowance program.

As for long-term measures, the Ralliement Créditiste suggests the payment of a national dividend to everyone, as well as the price-adjustment formula, that is the compensated discount or, if you prefer, a negative sales tax.

The main feature of the Ralliement's program is surely the payment of a national dividend to each citizen from the cradle to the grave, in addition to what he or she earns.

First of all, what is a dividend? In industry, it is that part of the profits which is distributed to shareholders, according to the financial success of the undertaking and to each shareholder's investment.

What is a national dividend? It is that part of the abundant Canadian production that would be distributed to all Canadian citizens.

It is said that Canada is wealthy and prosperous. This wealth and this prosperity must benefit all its citizens because they are members of Canadian society.

This dividend would consist in a monthly issue of new credits distributed to each Canadian citizen, for the simple reason that he is a person and therefore an integral part of Canadian society.

Not only does this dividend represent for the Créditistes a means of distributing production that does not go into salaries, but it also responds to a right held by each Canadian citizen.

Each citizen holds a right on common natural resources, as for example, waterfalls which are today important power factors; forests, which are a source of immense riches; transportation means which encourage communications and trade.

Secondly, each citizen holds a right on the proceeds of common production factors.

The advocates of the so-called liberal economy, just as those of socialism and communism, are completely ignorant of these common production factors.

To quote but one example, we could mention the present organization of work and production. As engineer-

economist Douglas explains it, where one individual tries to lift a 500 pound load and does not manage to do it, five persons can combine their forces and manage to accomplish this feat. The benefits that are derived from this social organization must not and should not belong to one individual or group in particular, but to society as a whole. So, benefits derived from the organization of society must be distributed in a social manner, and the Créditistes believe that social dividends are the ideal way to achieve this distribution.

Each citizen is also entitled to share in the yield of the common inheritance, public property, applied science, great inventions, knowledge increased and passed on from generation to generation which is nowadays a prevalent factor of production. The yield of that real work must belong to each and all and the social dividend is the most efficient means to assure its distribution.

Under a Créditiste system, there would no longer be as today, a single means of distribution, but two sources of individual income. The first of these sources is wages and profit as a reward for the direct participation of individuals in production. Of course, that source of income, through wages and profit, would decrease as automation and cybernetics gradually remove the need for manpower in production. The second source of income is the social dividend, as the result of collective work. This source of income would grow in inverse ratio to the decreasing human factor involved in the production of goods arriving on the market place.

Any financial reform that does not take prices into account is bound to fail, engineer-economist Douglas tells us. That is easy to understand. Government members often speak of inflation. We recognize that inflation can become a real threat under the present system, but we deny that it would be, if we applied, in its integrity, a créditiste regime such as the one we propose.

Why increase the monetary units in the hands of the consumer if at the same time the cost of goods increases in the same proportion?

Those are the reasons why, in our present economy, any increase in the income of the individual that is reflected in the cost of the goods produced or sold can only result in higher prices.

Whether it be an increase in the profits of the businessman, an increase in the rates of interest, or the workers' wages, or in taxes of all kinds, they all add to the prices and ultimately result in a higher price for consumer goods.

• (5:30 p.m.)

That is why the Créditistes suggest a means to adjust prices and respect the producers' freedom to set their prices within reasonable limits. We claim that the producer must keep on setting the prices of goods and services all by himself. On the other hand, however, the producer has no right to set the conditions under which the consumer shall gain access to these products. In other words, the producer shall be paid his own selling price, but it is none of his business whether the amount he requires or receives for his production has been paid in full by the consumer or if a given percentage of his sales is being paid out of new credits issued by a recognized institution.

This price adjustment could be carried out every year or every half-year or even every quarter. It would be similar to a discount and the opposite of a sales tax.

Such a discount would be made good to the retailer by an equivalent credit issued in the amount of the discount shown on the invoice as having been granted to the consumer. Accordingly, the producer would be paid his own selling price, whereas the consumer could obtain the whole production at merely a fraction of the prices shown on the tags, that is the true consumer price.

How would this discount rate be figured out? After what was missing in the purchasing power taken as a whole, after deduction of the amounts paid in welfare allowances from sources other than taxes, and also of the amounts paid as social dividends.

For instance, let us assume that all prices for goods available amount to $80 billion and that during a given manufacturing period, the Canadian people have bought only $60 billion worth of products, the National Credit Board would then set the discount rate at 25 per cent for the following production period.

This price adjustment method would operate automatically according to the calculations of the accountants in the Dominion Bureau of Statistics and the National Credit Board. Therefore, we would automatically avoid inflation and deflation.

In conclusion, I might say that these measures would entail some negative effects: they would eliminate financial dictatorship, any encroachment on private property rights, the threat of any social disturbance and all desire to revolt among the people.

But the positive aspects would be much more important: the implementation of the Social Credit policy would permit the production of enough goods to meet the needs, would transfer the goods to consumers' homes. It would thus enable the economy to reach its end, which is to meet human needs. That would be something new and unheard of in the world.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the motion introduced by my colleague from Bellechasse (Mr. Lambert) and supported by my colleague from Kamouraska (Mr. Dionne) does not seem to raise much interest in this House. As a matter of fact, the motion says:

> That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

I have seldom met with such complete silence. The Liberals, who are in power, say nothing, probably because they have nothing to say. Maybe they intend to support our proposals? On the Progressive Conservative side, two speakers dealt with everything except the motion itself and the same thing can be said of the representative of the New Democratic Party who spoke earlier.

Social Credit Monetary Policy

Mr. Speaker, almost everything has been tried in Canada. To fight inflation, we have resorted to high rates of interest and therefore created unemployment. So it has been necessary to decrease the interest rate but this does not solve the problem.

There are more unemployed in Canada this year than last year and they are almost as numerous as in 1962 and 1963 when the Progressive Conservative government was defeated. The government has absolutely nothing to propose to solve this problem.

I am not astonished at this muteness but I am surprised by the fact that no short or long term viable solution is put forward that would give Canada an economic and social system acceptable to the whole population.

In 1931, a famous pope stated in the Encyclical *Quadragesimo Anno:*

> Economy will be soundly constituted and will truly reach its goal only when it will provide to each and every one a share of the products that nature and industry can produce and this share will be sufficient to give to all at least a fair living.

There is no question of perpetual misery but of guaranteeing "to all at least a fair living." In short, people are asking for decent housing, food and medical care whenever necessary, that is to live like human beings. That is what is honest affluence. That does not mean that everybody will be rich, but that all will enjoy at least minimum affluence to lead a normal life.

Why do the Créditistes blame the government for not having accepted the monetary proposals of Social Credit? It is because the leaders, Grits or Tories, have always tried to ridicule Social Credit. It was feared that it would create inflation, and yet, inflation has been made to reign.

Others spend their time asking us where Social Credit has been applied. Nowhere. It is for that reason that everything goes wrong everywhere in the world. Why? Because monetary matters interest nobody except the Créditistes. They are the only ones who are concerned with them.

Others will say: Well, Social Credit has not been applied. If so, it is because it is not good. We have proof to the contrary when the effects of the present monetary system are studied. It is a complete failure.

• (5:40 p.m.)

If we look at the national budget, we note that 13 per cent is allocated to the public debt and this amounts to $1,945 million. Nobody is making a stand against the shameful exploitation of Canadians by a handful of financiers who control them and rule the roost.

We heard some economists criticize social credit and others praise it. Those who dislike social credit only agree on one point: they are dead against it!

As for solutions, there are not two economists who come up with the same thing. This is why when I am asked where have all the economists gone, I answer that I prefer not to see them because I do not want to be involved with these guys. They always come up with different solutions.

[Mr. Caouette.]

In university, both Samuelson and Keynes are taught, yet one says the opposite of the other. And now we have another economist, Kelso, who wants to make every worker a shareholder in industries, for the development of Canada. Let us see how. These shareholders would be forced to borrow from chartered banks and would deposit their loans as collateral to buy shares in various Canadian ventures.

Thus, they will still be controlled by the same bankers, by the same monetary system; they will pay interest on their loans to become fictitious shareholders of companies for a time set by the financial system, by the banking system.

What about those who do not work? Will the banks lend them money to enable them to buy shares in various Canadian companies? Therefore, Kelso is just another guy who dreams in technicolor. He is not concerned with lightening the worker's, the farmer's or the miner's burden, but rather with concentrating, and further strengthening the control of financial and banking institutions over the economy and the economic life of the Canadian people.

We have been advocating the same thing for years—like maybe preaching in the desert. We say we must go along with the Canadian production and not according to the will of one individual or to the fancies of a political party, but to the true and genuine Canadian reality. Let us distribute to all Canadians, over and above their salaries and present incomes, a national dividend which would add to their purchasing power and enable them to acquire the products and services which they need.

This dividend is being laughed at but still other kinds of dividends are being distributed lavishly to other countries and nobody objects. Would it not be just as good in Canada? If the Bank of Canada were to grant interest-free loans to the provinces according to their needs, the conflicts they have to face would no more exist.

One would hear less about separatism and differences whose basis is only financial after all. If one asks Premier Bourassa of the province of Quebec, Premier Bennett of British Columbia, Premier Strom of Alberta or the new Premier of Ontario or the New Democratic Premier of Manitoba what is the issue when they come to Ottawa, they answer that they come to ask for money, for a bigger share of the tax base. This tax base is too small because its size is determined by the financial system.

It is up to Canadians to determine the extent of Canada's development, its standard of living, through their work, their ambition, their intuition, their imagination. They develop Canada, yet they do not benefit thereby because thieves prevent their doing so. When I say thieves, I have weighed my words—that is what they are. There are people who do not understand that interest-free loans could be granted to our provinces, our municipalities and our school boards. Municipalities are left to put bonds on the market, paying 12, 15 and 17 per cent interest. The province of Quebec recently paid 9 per cent, besides the commissions to the brokerage firms.

Provinces must pay 10, 11 or 12 per cent; but the federal government is not moved. The Prime Minister of Quebec is in New York just now, kneeling before American financiers, asking them for new investments in the province of Quebec. There are 250,000 unemployed, intelligent, industrious and courageous, people who are left without anything to do. The Prime Minister goes to New York to kneel before financiers and ask them for new credits in order to create jobs for our people, while all the time it is becoming more and more obvious we could use credits from the Bank of Canada, without operating the money printing machines. These credits would be used for financing the province of Quebec, which wants to develop, as well as the other provinces. We shall then realize unity in Canada because the identity of each province will be respected. This is what is lacking presently.

British Columbia is told that it will be more heavily taxed in order to help a poorer province. Money is taken from those who have some and given to those who have none. A fine solution! It is the same thing in Russia, in Czechoslovakia, etc. Such are their policies. We witness the same thing in Canada, a free country. Some citizens have not yet understood anything in that. When we speak about the public sector, people say: So, we will have socialism. Everyone will be nationalized. There is no nationalization. As for the private sector, we leave it to private enterprise, and private enterprise financiers, if they have any capital, will be able to use it to expand their operations. At the present time, through taxes, the government takes money from private enterprise to finance the public sector. So, private enterprise is deprived of that much credit; the Canadian economy is paralysed because of excessive taxation, because of new taxes, such as that on which we voted yesterday. The 3 per cent temporary tax exists since 1968. It was to apply for one year. We shall again be asked to pass it next year. Some people do not differentiate between private enterprise and the public sector. As far as the public sector is concerned, I believe that even Liberals admit that our attitude is rather consistent. Recently the Prime Minister (Mr. Trudeau) was away on a trip—it was before his honeymoon—and he granted $8.5 million worth of interest-free loans for a period of fifty years with ten years of grace, which makes sixty years. The Prime Minister will be 112 years old when those countries start paying back minus interest. In the meantime we are merely told that these nations with our credits will buy our products and that this will create jobs.

• (5:50 p.m.)

As if such credits, granted to municipalities, school boards, provinces, would not create employment in this country, for our people.

I repeat that we have no objection against assisting underdeveloped countries, but there are underdeveloped municipalities in Canada, in Gaspé, for instance, where people are forced to leave small parishes where they were born 60, 70 or 75 years ago. They are told, today, that they must move, if they want the government to assist them. They are being moved, these are small communities where they have known misery for too many years. We are aware of it, and we say so. Why not help these small municipalities or these areas in the same way that we help other countries, India, Pakistan, African countries, Central or Latin American countries, Malaysia, Ceylon, etc.

If interest free loans are good enough for those countries, why should they not be so for us in Canada?

Recently, in connection with the public sector, an alderman of the city of Hull, who represents the Tétreault ward, moved that the municipality should ask the government for authorization to apply for interest-free loans to the Bank of Canada. Mr. Villeneuve said the following:

> I do not want our citizens to pay for an out-of-date, archaic and obsolete financial system.

Mr. Villeneuve was right. He explained that if the central government could lend money without interest for periods of over 50 years—$420 million to other countries—he did not see why it could not make the necessary funds available to municipalities on the same terms. A newspaper reported as follows:

> The argument of Mr. Villeneuve was disputed, very much so. But what would happen if the Bank of Canada should decide to print money and grant interest-free loans to every municipality?

Granting loans to all the countries of the world is something the man who raised the matter understands. But granting a loan to the city of Hull, the citizen from the Tétreault ward does not understand that. People are being eaten alive by rats, along the shores of the Ottawa river. That he understands, but interest-free loans to pull them out of the financial stagnation in which they are, that the man from the Tétreault ward, in Hull, on the other side of the river does not understand.

I continue my quotation:

> —"It would not work," exclaimed one taxpayer. "That business is ridiculous", said another. The municipal political arena is not the place to uphold your political arguments, federal or provincial—

That is from another citizen. It is not a place where you can talk about provincial or federal government. For the city of Hull, it is quite right to suck both the federal and the provincial milk; the citizens admit it is normal procedure. That is from a citizen from the Tétreault ward in Hull. I do happen to live in Hull myself. I have not yet been able to convince them all. I could read it this week in *Le Droit*. Another one states: "Let's stop thinking about it, it will not work".

In Hull, the tax rate has just been raised by 4 mills. The citizens of Hull can understand this. I do not know if one of them is intelligent enough, if I knew one, I would name him. Let us carefully listen to them. To avoid the 4 mills increase which would somehow shake up the citizens in the Tétreault ward and elsewhere in Hull, he suggests:

> Why not increase the tax rate gradually? It seems to me more reasonable to raise the rate by 1 mill every year.

Within four years, the increase would still be of 4 mills; it would have been easier. This is understandable.

I know a story about a frog being thrown into boiling water, and it illustrates my point quite clearly. There is a way, according to that idiot, to make the frog accept everything. Let us put the frog in a pail of cold water and then heat it slowly. The water gets hot gradually, and the frog gets used to it and suddenly dies; the water is boiling hot, the frog is cooked without having been aware of it. Everything went well, it is more acceptable that way. Can you imagine the number of frogs in Hull! The minister understands, he is laughing.

Such a system cannot generate anything else than what we are witnessing at the present time. Last night, in Sherbrooke, there was a meeting on the Canadian Constitution, attended by 500 young French Canadians, by Liberal members, the member for Sherbrooke (Mr. Gervais), the member for Matane (Mr. De Bané), the member for Richmond (Mr. Beaudoin). Other members of the Progressive Conservative party were there, I think. Most of them took a good verbal beating. They have not the slightest consideration for federalism. "Go back to Ottawa, we do not want to see you any more. Do not come here to sing us songs." This happened in Sherbrooke last night. Tomorrow it will be in Vancouver, then in Toronto and perhaps later in my constituency of Abitibi.

It is time for the government to think of something else besides imposing taxes or of using poultices on wooden legs. The main uneasiness is not lack of courage on the part of Canadians but lack of money in wallets. That is the sensitive spot. The municipalities, the school boards, the provinces, the individuals, the families, the Canadian government are all at grips with the financial system. Instead of correcting what can still be corrected, useless meetings are arranged such as that of last night in Sherbrooke.

Our proposals may still cause in any people to laugh. It might be too late when their merit is recognized. I hope that the government, while it is still time, will be afraid to assume its responsibilities. The Canadian people will support it, but the young people are now ready to blow up everything in Canada. Let us give them the opportunity to integrate into a society where they will feel like human beings, and then, money will serve the human being. The human being will no longer serve money, as is the case under the present system, one of legalized theft, controlled by a few Canadian bankers.

The Acting Speaker (Mr. Richard): Order. The hon. member for Portneuf.

Mr. Roland Godin (Portneuf): Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Richard): Order. It being six o'clock, I do now leave the Chair until 8 p.m.

[Mr. Caouette.]

[*English*]

Since this is the vigil of St. Patrick, with sober thoughts and friendly feelings I want to offer this old Irish prayer:

May the road rise to meet you,
May the wind be always at your back;
May the sunshine warm up your face,
May the rain fall soft upon your field;
And may you be a long time in Heaven,
Before the devil knows you're dead.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, in view of the constantly growing needs of the majority of Canadians, I am glad to support the motion under study, moved by the hon. member for Bellechasse (Mr. Lambert). As this motion recommends the use of a formula or tool which would promote a more flexible administration, more in line with the possibilities of our country, I hope that it will also be supported by all those who were elected to this Parliament to serve the interests of their constituents. A Progressive Conservative member, the hon. member for Saint-Hyacinthe (Mr. Ricard), suggested this afternoon a better distribution of taxation. I want to thank and congratulate him for his praiseworthy effort which certainly had value during the war and the years following. However, our experience in this area leads us to believe that in peacetime, the tax base assessment is inadequate. That is the reason why the Créditistes propose, rather than an assessment, an expansion of the tax base according to the needs of each member of the great Canadian family. Today, individuals, families, communities and nations must run their business and whatever exists must be managed according to a widely-accepted formula: revenues are the sum total of profits and expenditures. All accountants and professional managers know that. Also everybody knows from experience that nothing will run smoothly when deficits keep piling up. Deficits breed debts, debts call for interests, interests increase fixed charges for administrations with deficits, so this all boils down to a never-ending and hopeless vicious circle.

This is true of nations, societies, families and individuals.

• (8:10 p.m.)

Nations represent mankind; they represent all human beings on earth, living precariously from the resources created by the supreme master of the Universe.

It may be that here, in this Parliament, we are not responsible for the fate of the whole of mankind, but we must assume the administrative responsibility for 21 million Canadians.

God has put everything in nature, too much for all, but enough for any one of us. In Canada, particularly, we are in a state of overaffluence; our output for 1971 will reach $90 billion; the per capita output is thus $4,200, namely $21,000 for every household of five persons, or $350 per month per person or $1,750 per month for every household.

Then, with such a production, we would have no reason to complain. It is not production which is lacking, it is distribution between citizens who are entitled to that production and who do not benefit from it because of poor management on the part of responsible citizens.

I believe that the Canadian government must prove that it intends to discharge its responsibilities by all possible means and, among the means available to the Canadian government is the financing of public capital through advances of credit without interest, and through the Bank of Canada, without depriving anybody of anything, without bringing the economic life to a stop, without inducing either inflation or deflation. We anticipate that that measure would greatly contribute to improve the standard of living of all Canadians. This, it is easy to see, would lead to a decrease in the taxes the government now levies to pay the interest on the public debt or its loans, and to an increase in the amount of money now available to the consumer to buy the goods he needs.

At this point in the debate, though the Ralliement créditiste does not have the support of many members as far as the adoption of a national dividend is concerned, it does have the support of many members who favour the creation of new credits, interest-free, to finance public capital.

In his book *Demain c'est l'an 2000,* Gaston Bardet, professor of applied economics at the University of Brussels, after a thorough study of the banking system, and the survey made in Great Britain by the MacMillan commission, as well as those made in Canada in 1939 by the House of Commons committee on banking and commerce, reaches the following conclusions:

> Therefore, there are two possible methods of financing and they are totally incompatible: the first being provided by savings, or surplus money, the other being projected ahead. As far as the former is concerned, he says, in relation with private production, self-regulation must be provided by the supply of existing capital, (and on this point, by the way, we are not in agreement with Mr. Bardet) and where the latter is concerned, self-regulation must be provided by the most positive primary needs.
>
> Hence, bank financing is quite appropriate where a country's capital expenditures are concerned and then the whole country benefits. Wherever over-production is not to be feared, it is demand that determines the issue. Then, in this instance, the requirements in the fields of housing, road-building, bridges, hospitals, schools, forests, become the regulating factors of the anticipated scriptural money.
>
> There again, adds Mr. Bardet, we are dealing with consumer and no longer with producer loans. Interest then is out of the question. The country, the community, cannot practise usury.

Another economist has considered the problem of government financing, and he came to the conclusions drawn by the Créditistes a long time ago, that is financing public capital by new credit free of interest.

Social Credit Monetary Policy

This proposition is explained in a book entitled: *"The Challenge of Abundance"* by Mr. Robert Théobald, and this book can be found in the Parliamentary Library.

In this respect Mr. Théobald writes:

> A government may use three means in order to get the funds it needs to meet its obligations. Firstly it can tax the citizens and the institutions in order to get their money. Secondly it can borrow money from the people and from institutions and pay an interest on it.
>
> In the third place, it can just create money and use the funds created for its purchases. What everyone agreed on before 1936 is that the government should never create money. Opposition to the creation of money was based on the belief that the demand for goods should always be equal to the supply, so long as the government did not intervene in the economy. Keynes destroyed that belief when he showed that there was no certainty that the demand was always equal to the supply in affluent countries—
>
> There are many methods for closing the gap between supply and demand. The level of supply could be brought down without great effect on demand by reducing the number of working hours for the same salary. Demand could be increased by telling the population that more goods are required in order to live a decent life and enjoy a better standard of living.
>
> The government could simply make up the difference between actual and potential production by building new schools, demolishing slums and controlling pollution, because one could find there unused resources in the economy. The government would not have to raise money by levying taxes or borrowing.
>
> Money could be merely created, the additional funds would not cause inflation because, by definition, there would not be any shortage of products.

This is the evidence given by American economist Robert Théobald who feels that it is possible to democratize money and use new credits without interest for the social development and equipment of the country.

Moreover, I want to point out the views of a renown British engineer whose opinions are raising great interest in England. No. 5 of Volume 183, Part I of the 1968-69 Proceedings of England's Institution of Mechanical Engineers reproduces the integral text of a lecture given to the members of this organization by Mr. Anthony Vickers, with the abovementioned title.

In this study, Mr. Vickers, who was heartily applauded and whose comments were the subject of discussions among the members of the Institution, dealt first of all with the technological development, the hopes it awakens from the economic development point of view. Then, in the second part of his address, he talked about the means of financing social development. This is how he concluded this part of his lecture:

> A first requirement of education is to make everybody able to understand the simple facts and the functions of money (coins, bank notes, and bank credit) under its various forms. This does not mean endless studies about economic and monetary policies. It means that everybody should be able to understand that:
>
> (1) Money is a medium of exchange or a method of payment and, in itself, it has no value and does not cost anything.
>
> (2) The control and regularization of the quantity of money required must be greatly improved in order to meet technological advances and the changes due to a capital-intensive industry.

In the last part of his address, the author explains how it would be possible, within the limits of a total employ-

ment economy, to endow Great Britain with social assets that cannot be achieved at the present time owing to lack of money or credit.

He continued:

For a great number of years, seven dam projects have been under consideration in the United Kingdom, designed to increase water resources, enlarge the British heritage, improve navigation and port facilities and in certain cases build power plants and improve the road system.

All these projects would result in important assets for the population and besides would create a great number of jobs. Such projects would cost hundreds of millions of pounds, but the cost of producing such credits would be very small. Is this not a case where one should do what Keynes advocated so strongly: "To make financially possible what is physically feasable."

As a first step, it would be necessary to establish a National Financing Corporation to provide the credits required to create assets for the benefit of society. Thus work would be provided as long as resources would permit. In a free society, in peacetime, over-abundant manpower cannot be directed to different occupations, but with education, retraining, good wages, decent housing, it can certainly be attracted to other jobs, bearing in mind that the GNP may be increased yearly by at least 600 million pounds.

• (8:20 p.m.)

Never before has our capacity for production, transportation and communications been so great; however the admonishments from the government to tighten our belts are unavoidably followed by limitations imposed by producers in various ways. History, of course, will tell us that taxes have been too heavy and complicated and, although this is not the object of this lecture to discuss tax problems and their basic objectives, it remains nevertheless that technological progress requires an expansion of the economy if we wish to reach full employment.

This is why we suggest that for what we call capital funds that do not bring profits, a National Financing Corporation must be developed to meet those needs. This would require specific terms of reference to avoid a conflict with the various financial organizations already serving the private sector of the economy which is based on profits— The National Financing Corporation which is one of the most important factors of governmental policies would however provide a considerable share of the money or funds now levied through taxation. In spite of the present high rates, taxation is unable to use unemployed resources to build, for example, a modern road system and in addition, it adds a tremendous burden to the costs which the community must pay in the form of interests.

Mr. Speaker, last Friday, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) stated to the house that he would very much like to be able to finance the construction of a Canadian pipeline in the Mackenzie valley, but that because "he was not a Créditiste, he did not know how to print money."

If the minister does not know how money and credit are created, he should see his banker who, if he is the least bit clever and honest, will tell him how the banking system creates credit out of nothing. And if his banker does not know, than I shall merely send him the extremely instructive booklet published by the Royal Bank of Canada entitled *How the Canadian Money Supply is Affected by Various Banking and Financial Transactions and Developments*. If he does not understand after having read it, then we can introduce him to members of the party who will be in a position to explain that to him clearly and accurately. Thus he will learn that whatever is physically desirable must be made financially possible, and that through a financial system consistent with the facts, financial problems would not exist, if there is no production problem.

[Mr. Godin.]

As Marquess Serra writes in his book entitled "Economic Chaos and The Coming Revolution", there is no trick to evaluating in dollars the use of materials, natural resources and technical processes. And there is no trick either to creating purely monetary means, therefore the credit to facilitate the exchanges of various services, which will make the plans come true.

In this age of technology, here is a technique to be developed. And we can do it as soon as we decide. It is a matter of decision, that is all. The money is there, the products are there, the tools are there. All we have to do, is decide.

May Divine Providence guide you in your deliberations.

The Governor General of Canada thus ended his speech at the opening of this session on October 8, 1970.

If we analyse the travels of the Prime Minister (Mr. Trudeau) and of other members of the government such as the Secretary of State for External Affairs (Mr. Sharp) to distribute around the world our wealth and help the underdeveloped countries through gifts of food and interest free loans for periods of 50 to 60 years, we realize that the prayer of the Governor General of Canada has been answered. It is obvious that Providence has guided our political leaders to the benefit of foreign countries.

I will repeat the prayer of the Governor General:

May Divine Providence guide you in your deliberations.

Because I am only a representative, I hope that this prayer will be answered at 50 per cent, so that our government might forget for a time the ills of the whole world and limit itself to taking the necessary measures to meet the needs which exist presently within the borders of our country.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, the long familiar motion brought before the House regrets that the government has not seen fit to apply the Social Credit monetary policy.

Such a policy was stated for the first time by a British engineer, Major Douglas, in a book published in 1920 and entitled "Economic Democracy".

It is significant that during the half-century that followed, no government of any country in the world endorsed the Social Credit doctrine. It is also significant that the two provincial governments in Canada headed by parties that still go under the Social Credit label, only pay lip-service, if that, to the Social Credit theories.

While the Social Credit party is no longer represented in its original form in the House and no longer exists as a party on the federal level, Social Credit theories are still being advocated by only one group, the Ralliement créditiste.

The Social Credit doctrine is only one of the numerous theories put forward in the last hundred years or so, as an ultimate answer to the undoubtedly serious defects in the working of our economic system. No wonder that according to many such theories, all our economic problems would be solved simply through the adoption of one form or other of monetary system.

In the United States, for instance, William Jennings Bryan severely criticized the gold-standard that prevailed then. As a remedy to the real defects of the gold-standard, he suggested the establishment of a parallel system of silver-standard.

Like Bryan, Mr. Speaker, Major Douglas perceived a defect in the economic system of that time, namely that there was no machinery to allow, in a more substantial way, the creation of an adequate demand for the goods and services that the nation can produce.

However, it is quite true that to find out about the existence of a problem is one thing and that to apply an adequate solution is another. As I said before, no country in the world has ever considered that Social Credit theories could bring about a practical solution.

As pointed out by a well-known economist, Alvin Hansen, in his book entitled *Full Recovery or Stagnation,* Social Credit authors, as those of all other cure-all doctrines, have ignored a most important fact of life, namely that no economic device, whatever its nature, can be grafted to the economic machine to make it work smoothly forever.

Over the last 50 years, after Major Douglas had for the first time outlined his theories, the nations of the western world have worked out a number of interrelated policies and programs offering much wider possibilities as concerns maintenance of a balance between supply and demand for goods and services.

Each year billions of dollars are made available to Canadians through a great range of social welfare programs, which do contribute largely to the maintenance of our purchasing power. Notable progress has been achieved allowing recourse to fiscal and monetary measures to maintain a marked increase in production, employment level and real income.

• (8:30 p.m.)

The main problem, still unresolved and, besides, totally ignored by the Social Credit theory, is to maintain a sustained rate of increase for our economy. As emphasized by the Economic Council in its last report, the most notorious economic failure of the sixties, throughout the world, and which constitutes a major political problem yet to be solved, has been the inability to achieve an acceptable reconciliation between a high level of employment and a relative price stability.

As noted by the Economic Council, the solution of this problem will constitute a most difficult challenge and is not one of those problems which can be dealt with so-called "right" political decisions.

Social Credit Monetary Policy

Although the theories of the Social Credit are almost unknown today, those who keep on advocating them are not the only ones to believe that our increasingly complex economic problems can be solved by a few so-called "right" political decisions, to use the Economical Council's own words.

Quite recently, the Leader of the Progressive Conservative party stated in the House that the longest and most tenacious period of inflation in modern times which continues to affect other western countries could be checked by a mere appeal to voluntary restraints on prices and incomes. Although such restraints would no doubt supplement further political measures, as the government itself stated, the Progressive Conservative party has kept insisting on this magic solution to the whole inflation problem quite a long time after it had become obvious that all the sectors of the economy were not prepared to accept voluntary restraints.

Over the last few months, the Conservative members have been suggesting a similarly simplistic solution to this problem, a sharp but stable economical growth. They have suggested a one billion dollar or more tax reduction and have proposed a substantial increase in government expenditures while omitting to state the amount of such an increase. They have wholeheartedly elected to ignore the serious problems that such an approach could bring about in the future either by giving rise to further inflationnary pressures, or through an upwards pressure on interest rates and the Canadian dollar rate of exchange and, finally, by exposing the Canadian economy to the risks of another recession.

Last month, the Progressive Conservative and New Democratic parties as well as the Ralliement Créditiste have censured, in a joint statement, the economic policies followed by the government, to ward off the inflationnary pressures which threaten our economy and to put it back on the way to a strong and stable growth.

However, Mr. Speaker, I see that the Tories and the NDPers are endorsing, in some way, the government's view on the usefulness and the opportunity of the Créditiste doctrine, namely that this doctrine is nothing more than a doctrine and moreover, an idealistic and unenforceable theory. And almost everybody agrees on that point. But at the same time, Mr. Chairman, I think it is regretable that these two parties chose to do nothing during this debate but hide between proposals varied as well as contradictory.

Consequently, Mr. Chairman, I think that the House of Commons must vote against the Créditiste motion.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, may I put a question to the Minister?

Mr. Gray: Yes, Mr. Speaker.

Mr. Valade: Since the Minister stated that the Progressive Conservative position was contradictory because it supported the Créditiste proposals, could he explain why the Minister of Finance (Mr. Benson) backed down in

this very Chamber with regard to his White Paper on Tax Reform?

Mr. Gray: Mr. Chairman, this White Paper was tabled as a vehicle for discussion. It was only after discussing those ideas that the government said it would introduce a bill. It was its intention from the beginning. It is regrettable that our Progressive Conservative colleague missed this basic point.

Mr. Roch La Salle (Joliette): I should like to take the opportunity on this opposition day, Mr. Speaker, to state certain views concerning the motion proposed by the Ralliement Créditiste. Allow me, Mr. Speaker, to congratulate the Revenue Minister on his excellent French. I should like to take this opportunity to discuss a few points concerning the motion, but with some reservations. I am not convinced that a Créditiste policy would be the best solution, but I should like to congratulate, all the same, the member for Bellechasse (Mr. Lambert). I heard this afternoon, his splendid speech, delivered in his usual simple way. Knowing well the hon. member for Bellechasse, I know his honesty. I feel I must congratulate him on his speech and the ideas which he advocates in this House. I would even go as far as to say that if all members were as honest and simple as he is, the House would fare much better. Honesty based on such simplicity would result in far more realistic and human ideas and policies. The same could not be said of the leader of the Ralliement Creditiste (Mr. Caouette) who from time to time is more apt to indulge in politics than to advocate truly meaningful and progressive ideas. In any case, I congratulate the hon. member for Bellechasse (Mr. Lambert) on his honesty and his excellent speech.

Production, distribution, consumption and purchasing power have all been mentioned. Obviously, Canada today is not lacking in production. Obviously also, distribution is possible, considering that the average citizen lacks an adequate purchasing power, or income. The consumer is hampered by this lack of purchasing power, even though there is an overproduction which could be consumed through greater purchasing power. The present situation is the result of policies laid out and promoted by this government. We could blame former governments, but we would be wrong in doing so because if we were always blaming those who have built this country, those who have done their utmost, we would be wasting our time. I think we must analyse in depth the present situation. A Liberal government has been in power in Canada since 1968. I know that the Canadian people expect a great deal from this government, taking into account a very commendable promise called the just society. As everyone else I believed in this just society. I thought that once elected, I could participate in this just society by supporting good measures and, obviously, by protesting against bad ones, because that is the role of the Opposition. However, to curb inflation, unemployment was allowed to develop, which is disastrous and harmful. In spite of inflation, we nevertheless witnessed an increase in prices, and this increase has certainly been harmful to consumers. And yet, we experienced inflation, to arrive at this unacceptable unemployment situation.

Not so long ago, the right hon. Prime Minister (Mr. Trudeau) stated that he had succeeded in checking inflation, and that from now on, he was to come to grips with unemployment.

• (8:40 p.m.)

We all know how embarrassing such a situation is for us and how painful it is in certain parts of the country, in the province of Quebec especially, and in other regions.

Apparently, the main effort was to increase welfare allowances. I think it was essential and vital to create new jobs, to make available additional capital for research which would have led to the manufacture of new products and consequently to the establishment of new industries which would have been viable in the long run.

Efforts were also made to make available substantial amounts for the establishment of new industries but, unfortunately, nothing was done to solve the problems of those already existing. And that is what really matters.

Almost every day, industries of long standing announce that they will shut down owing to certain difficulties, including imports. Has this government done enough to put a stop to competitive imports? Has it seriously studied the possibility of restricting such imports? It has certainly been normal that we import certain products, but have we conducted enough studies in order to limit imports of a given product since Canada is today in a position to produce it? I do not think we have done enough in this respect.

Such endeavours in favour of investments in new industries is a good thing in principle, but it seems to me that we have forgotten to trouble ourselves about the preservation of existing industries.

How could we forget to discuss the financial problems of the municipalities and the provinces? We must discuss in the House the financial situation of the municipalities and the provinces. We certainly want our municipalities and provinces to have the financial means to expand further.

In Quebec we had the quiet revolution which made it possible to launch a number of programs. To a certain extent those new programs caused indebtness.

Clearly the effects were by and large the same at municipal levels; since they need additional services in order to face today's needs and want new industries, municipalities should get up a series of projects likely to supply them with an infrastructure, taking into consideration the prospect of new industries.

Today, municipalities and the population in general are being blamed for not having developed enough projects or established adequate protection against pollution.

How can these municipalities possibly build water treatment plants, in view of the present indebtedness?

The motion before the House is such as to suggest to the government the application of a Social Credit policy aimed at issuing supplementary dollars as well as cer-

tain dividends. There are some reservations to make in this connection. We must—and in this I concur with the hon. Minister of National Revenue (Mr. Gray))—guard ourselves against the possibility of greater inflation.

In any case, in view of the financial position of the municipalities and provinces, I am wondering how we can extricate ourselves if the federal government does not make enough efforts to grant certain supplementary credits in order to allow provinces and municipalities to honour commitments which are imminent and necessary.

Of course municipalities are always interested in urgent projects. Is it financially possible for those municipalities and those provinces to keep on providing their own administration at the rate which we have known the last ten years? I think not.

It is obvious that the issue of supplementary credits is necessary. How could those municipalities and those provinces continue to get into debt at an interest rate as high as that prevailing today. I wonder whether the government should not consider issuing supplementary credits, but at a reasonable minimum rate which would allow those municipalities to go on with projects for which there is an overwhelming need.

Otherwise, I wonder how these municipalities or provinces will be able to keep growing and thus to set up the public services and utilities necessary to attract industry.

Obviously, the government has not considered the possibility of extending new credits at reasonable interest rates. All too often, the government has issued new lines of credit with interest rates so high that local governments are put in an awkward position. I urge the government to consider this possibility.

We in the opposition can easily criticize. I would not want to limit myself to criticizing the government, to saying that it has not done anything: it would not be honest. Today, one must ask whether the government has done enough, whether it can do better and whether those who criticize it could do better.

That is the role of the opposition. Starting from that consideration, and being conscious of my role in this House, I should not want to limit myself to criticizing the government; I urge it to consider the possibility of creating additional credit, at reasonable rates; by that, I do not mean that it should blindly endorse the monetary policy of the social credit party, because I have serious reservations about it.

I make as many reservations about the efforts of the government during the past three years. As a result of those considerations, I wonder if I am not entitled—and I should at least be—to ask the government to examine the possibility of granting supplementary funds for carrying out certain projects which are obviously essential in the public utility field.

I do not ask that funds be granted to individuals at high interest rates, but I think that it is extremely important to provide more money to municipalities and provinces for public utilities and large scale projects, taking into account their direct relation with the public sector.

• (8:50 p.m.)

We have asked the government many times to arrange easy credit for housing, an important sector which represents, I believe, from 30 to 33 per cent of the labour force in Canada. The government made some effort, I must admit, to grant credits with regard to housing.

Labourers, people of the middle class, should be allowed to become home owners, taking into account the interest rates, taxes on materials and property taxes.

We have asked many times for the repeal of the tax on building materials, which would be an interesting move for those who want to become owners.

I know that the government should normally study this. Unions interested in construction have made requests which are rather hard to accept.

With respect to construction, the government should call together all the representatives in this field and enter into arrangements with them at both the government and the union levels. The government must have at its disposal substantially large credits for construction, in Canada, because of the heavy demand. Union representatives must also accept some measure of compromise. It is up to the government to prove that it is willing to promote construction and it is up to the unions to prove that they are willing to compromise, because of the capital which the government would be ready to invest.

It could be that an agreement could be reached between the unions, all those involved in construction, and the government as regards salary and price stability. The government should abolish the tax on building materials and make funds available at acceptable interest rates. It did not see fit to do so, and I sincerely believe that the government would serve the best interests of the Canadian people if it did. I would recommend to all those interested in the construction sector to compromise for 3 or 5 years, if we are to have long-term building. The government should take this suggestion into consideration.

I would like to mention that we have to define the policy which the government should normally adopt. This afternoon, the policy to help students find summer employment was introduced. This announcement made us realize that only part of the students will be getting a job this summer at a cost of approximately $50 million. This represents only 50 per cent of the students who will be on holidays this summer.

During the last Liberal convention held in Quebec City, the young, aware of their needs, voted in favour of a resolution asking for the establishment of a civil service. I had thought of a disciplinary civil service. Perhaps it was too severe. This civil service was referred to as a service that could provide work for students. This resolution which was passed is an excellent one, I am not against saying it, but I thought a few months ago—and I said so in this House—that the establishment of a policy

for students was an obvious necessity. It seems that the government has no intention of following this up. I can understand the frustration of the young before the attitude of the government. There is a desire to provide against this resolution which is wrong. This service would make it possible to remedy the situation. The establishment of a civil service on a national scale would have created thousands of job opportunities. And if I understand the meaning of the resolution that was passed, the public service could have found a job for all students, provided they had applied for one. But we would then have given proper guidance to these young people who wonder to what extent members of the House are responsible.

By giving a positive answer to such a resolution, we would have proved to these young people that the members of the House are aware of their problems and want them to become actively involved in society. We would have enabled them to accept responsibility and to earn a salary which would have made it possible for them to continue their studies without always relying on a scholarship which often comes too late, or on the financial assistance of their parents which is often inadequate, and that is justified.

I wonder to what extent the government has exerted itself and has shown its awareness of the needs of those students. With the future of Canada in mind, it is very important, I think, to give some responsibility to each student and a salary that will enable him to continue his studies.

I also wish, Mr. Speaker—

The Acting Speaker (Mr. Richard): I am sorry to have to tell the hon. member that his time has expired.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have just listened to the speeches by the hon. Minister of National Revenue (Mr. Gray) and a member of the official opposition who has, to my immense surprise, congratulated the hon. member for Bellechasse. It is a rather rare occurrence for a member to congratulate a group because he would generally be expected to attack the leader of the party. The ideas expressed today by the hon. member for Bellechasse (Mr. Lambert) and upheld in this House are exactly the same as the ones so often outlined here by the hon. member for Témiscamingue (Mr. Caouette), the leader of the Ralliement Créditiste.

They are also exactly the same as those expressed here for the last 36 years. When Social Credit was discussed in this House, whether by Social Credit members from western Canada or by the Ralliement Créditiste from the province of Quebec, the principles have remained the same.

And the hon. member for Joliette (Mr. La Salle) approved our plans to grant credits to the population in different sectors of the economy, but he did not tell us where he would get those credits. That is what we would very much like to know, where to get them? From the pockets of citizens who are already broke, already over-taxed?

[Mr. La Salle.]

Mr. La Salle: From the Bank of Canada!

Mr. Rondeau: I would have liked the hon. member for Joliette to tell us while he had the floor and to repeat it in the House.

Mr. La Salle: From the Bank of Canada!

Mr. Rondeau: We have a solution to offer. We say credits should be obtained from the Bank of Canada, and we are always consistent with our proposals.

Mr. Speaker, it is amusing for us, members of the Ralliement Créditiste to hear some members discussing something they know nothing about.

We soon find that they have never studied it. Some of them, I agree, know better, but their political ties prevent them from airing their knowledge. I know some Liberal members, among others, who are quite familiar with the working of finance, of the banking system in Canada.

They remind me, when they talk about Social Credit, of those three individuals who, one day, were standing, blind-folded, in front of an elephant in the Granby zoo. One was near the leg of an elephant and tried to guess where he was. When he touched the leg, he thought he was in a temple near a column.

• (9:00 p.m.)

Another individual who was feeling its body thought he was in a warehouse and was touching some kind of a barrel. A third individual who touched the elephant trunk thought he was holding a cable.

When I hear the members opposite, they remind me of people who are blind in the economic field. From time to time, they say: We have encouraged employment. Later they add: We must fight inflation, or still: We must raise or control prices or establish a price control board. We are only presented in this House with temporary solutions, fumbling solutions, by people who move in darkness, with their eyes shut, and who go blindly in the economic field.

The Minister of National Revenue (Mr. Gray) has spoken tonight on the motion under consideration on behalf of the government. I would have hoped that the Minister of Finance (Mr. Benson) would have been in the House to give us his reply, for we know very well that the Minister of National Revenue has but one thing in mind, to tax and to "pump" money out of the pocket of citizens to feed the Treasury.

The Minister of Finance also has always another thing in mind, namely get the people into debt. Those are the only two sources of revenue that this government and the preceding ones have known.

Mr. Speaker, the Minister of National Revenue has, as in some other circumstances, raised the scarecrow of inflation. He made me think of a waterworks comptroller who, afraid of flooding the city, would close the water mains and let the city burn.

Mr. Speaker, for fear of inflation in Canada, the Canadans are kept broke, taxed and in debt. Yesterday we

extended for another year the so-called social development tax, something which had already been done previously. It is not with a Minister of National Revenue such as the one we have today that Canada will innovate; as always we shall be followers. We shall remain a home for subsidiaries from foreign countries that from time to time offer us a few millions so that our economy can keep on going.

And yet it would be easy for Canada to be a model and affluent country.

Perhaps the Minister of National Revenue is more aware than anybody in the House that a group of people control finance. He knows that those people are interested in having man exploited by man and it seems to us that he blamed the governments of Alberta and British Columbia among others because, so he says, they did not apply the Social Credit doctrine.

He should have said also that it was his own party, today's government, which in 1935, 1936, 1937, 1938 and 1939 prevented Alberta from implementing at least seven private bills, that were about to be introduced in the provincial legislature. Those bills were rejected by the government in power at the present time so as to prevent the Social Credit government of Alberta from implementing the Social Credit principles.

If Social Credit is so dangerous, if it is such an utopia, if it is so stupid, why was not in 1935 and in 1939, the then Premier of Alberta, the Hon. William Eberhart, allowed to apply the Social Credit principles? Higher institutions in Canada were used to declare *ultra vires* seven bills of the Alberta legislature, that had in its statutes and bills the power to eliminate economic and financial slavery in the province. Mr. Speaker, the Minister of Revenue was still harping on the same string when he told us that millions of dollars are granted every year to the Canadian people as social welfare, to stimulate our economy.

Mr. Speaker, those millions which, according to him, are paid out for social welfare in order to stimulate the economy do not stimulate many things for those same millions are taken away beforehand from individuals who still work in order to put them in the pocket of those who cannot work. The Minister of Revenue proved once more tonight that he wants to stay within the system. Perhaps he has personal reasons for that. In fact, one thing strikes us everywhere in the world, it is that it is in the interest of the exploiters who live off the system to maintain it and not to change it.

Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert) this afternoon introduced before the House a non-confidence motion against the government for failing to apply the Social Credit monetary policy. Since 1935, as I said a moment ago, the hon. members sitting here under the Social Credit banner have repeatedly offered concrete financial solutions which would have allowed the present government as well as its predecessor to settle once and for all the financial problem of Canada, which stands at the root of all other economic problems encountered in this country.

For 36 years now, the Social Credit monetary policy has been outlined in this House. I suggest that if the government in its wisdom has not seen fit to apply the Social Credit policy on a 100 per cent basis, it could at least have applied some of our recommendations and watched the results. If Social Credit is that much unworthy, as some ignoramuses delight in repeating, I think the government could have tried to apply one or two of its proposals in order to verify to which fiasco they would lead. But no, Mr. Speaker, Canadian and foreign financiers will never allow the political party they have themselves financed to test one or two proposals from the Social Credit for that would be the beginning of the end of their control on governments, individuals and the economy. But that would be also be the beginning of the end of the hardship experienced by the Canadian people amid abundance. But that would also be putting an end to exploitation of man by man.

Before coming to the heart of my remarks, I should like to read part of an article published today by the newspaper *La Presse* and signed by Claude Beauchamp, under the title:

"Beggars on a plane"

When I was young, I knew all kinds of beggars: on bicycles, on foot, in cars. But in 1971, there are modern beggars. I quote the newspaper article I have in hand:

> Mr. Robert Bourassa starts today his second pilgrimage to New York since his election as premier of Quebec, now nearly eleven months ago. An unusual thing, the premier leaves in a very quiet way. He probably wants to avoid creating false hopes because of a trip from which, undoubtedly, no concrete or immediate results can be expected.
>
> Today, Mr. Bourassa goes to New York to reassure American investors. Each time the Quebec premier went to New York, it was for the purpose of reassuring, reassuring again and again. In other words, he comes to New York as a "panhandler", a "beggar", a timorous person!

It is always with the same self-consciousness, the same lack of confidence, the same negative attitude that this annual trek is made to the American financiers. Unfortunately, they are the real masters of our economy.

During the electoral campaign, they are very interested in maintaining the same system and in order to do so they see to it that the political organizations which are prepared to support them have the money to pursue their activities.

How humiliating it must be to be the premier of a province as rich as Quebec and act as a modern panhandler. It must also be humiliating to the Minister of Finance or the Prime Minister of Canada and having to kowtow to Canadian or more often American businessmen. What would we do, where and how could we run this country if we did not have all those American dollars and if we were not getting deeper and deeper into debt as we develop?

This is one of the stupidities of our governments, of our politicians and of the present system. And we, Creditistes, cannot accept such stupidities. Canada borrows money elsewhere at high interest rates and we lend it back interest-free to other countries. Would any businessman who thinks he is bright accept such a situation?

However, we find that with the workings of logic and the pressure of time, some minds open up. We are told that we are right and our theories are taken up again.

Social Credit Monetary Policy

I would like to read a telegram which was sent to the Prime Minister of Canada (Mr. Trudeau) on March 14, that is two days ago. It reads as follows:

• (9:10 p.m.)

[*English*]

Parliament Buildings, Ottawa

It seems to me the Canadian people have had a bellyfull of you chaps jetting around the world spending and offering millions of our tax dollars in foreign aid while we who pay the freight have a tough time watching unemployment take its toll in our have-not areas. It is time you called Mr. Sharp home and call off these Santa Claus junkets by diverting some of these millions to give us back our railways and putting our people back to work. I have a sure-fire plan if you will direct your people to study it for a crash program. As far as we are concerned the honeymoon is over and its time for action for Canadians, not Africa or Timbuctu. If I am wrong, let me know because I speak for a lot of Canadians awaiting your reply.

Respectfully
Eddie Sargent, M.P.P. Grey-Bruce

[*Translation*]

This shows that not only the Créditistes are shocked by the attitude of our Prime Minister who travels around the world offering money free of interest.

But when it is suggested to apply the same principle to municipalities, they laugh and find it funny. Well, we ask for the same thing as the Liberal member for Bruce (Mr. Whicher), we ask that the foreign aid to Africa and underdeveloped countries of the world be also applied to Granby or to any other city, municipality, school board or provincial government. At present, the Quebec premier must go begging to New York, begging for dollars in order to develop the province of Quebec and to mortgage at the same time our development.

Speaking of the current method of presenting the minister of Finance's budgets and of what we feel would be required in order that this presentation be made more comprehensible, more efficient and more normal, what strikes me, when I read the budget documents submitted each year and see the amounts allocated to each item, each year, is that both the "national debt" and the interests on it are going up.

In 1867, Canada's national debt was only $75 million; it increased five times before World War I to more than $314 million. After World War I, the debt jumped to $1,2 billion and increased five-fold in six years.

Then we went through the depression and World War II. In 1945 the national debt amounted to more than $11 billion. From 1945 to 1960 it increased by about $1 billion reaching a total of $12 billion 89 million. From 1960 to 1968 it increased by more than $4 billion to exceed $16 billion in 1968.

Therefore, Mr. Speaker, considering the estimates for the fiscal year ending March 31, 1972, we can expect another increase in the national debt of more than $1 billion. It is more striking to read the ever growing amounts that taxpayers are asked to pay each year for servicing the public debt.

[*English*]

Mr. Deputy Speaker: Order, please. I regret very much to interrupt the hon. member, but I must do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member may continue if there is unanimous consent. Is there such consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Rondeau: I am grateful to my colleagues for granting me this permission.

In 1969-70, real expenditures under the public debt item were $1,709,938,172. In 1970-71, expenditures under the same item amounted to $1,862,400,000 and finally for the year 1971-72, the hon. Minister of Finance expects expenditures, in interest alone on the public debt, of some $1,988,000,000.

If there are approximately 20 million Canadians, this represents about $100 a year for each one of them. Now, it is to be remembered that in 1945, that is after the Second World War, the per capita interest on the public debt amounted to $26.42 as compared with $42.17 in 1960.

Twelve years later, that is in 1972, every Canadian will have to disburse almost $100 to this effect.

These are the results of the financial system of which the present government and the preceding ones is and have been the faithful servants.

• (9:20 p.m.)

Although there are some who claim that this is good, such as Alexander Hamilton, the spokesman for international bankers and, more so, for the conservative party of American federalists, who said that a public debt is of national benefit because it enables businessmen, financiers and bankers to make investments that are without risk, others state—and I have heard the Minister of Regional Economic Expansion (Mr. Marchand) repeat it—that a national debt is not harmful for the country, because Canadians owe this money to one another and because the money required to pay the cost of such debt is taken in one pocket and placed in another.

The Minister of Regional Economic Expansion should know that those pockets do not usually belong to the same taxpayers.

We have in the past asked the Minister of Finance (Mr. Benson) to say who were the government bondholders, to give us the names and addresses of the country's creditors. He has not been able to do so or else he did not want to. If he had, we could have seen that the people who in Canada draw interests on the public debt, who will get something out of the $2 billion or so, that Canadians will pay in 1972, do not belong to the category of the have-nots. Far from it, the ones who pocket these interests already enjoy considerable incomes. The major part of these interests will merely go to increase the bankers' dividends.

It is therefore in order to conclude that public debts are repressive and punitive measures, because they hurt mostly low-income people, those who only draw a small income and must contribute about 15 per cent of their taxes to the payment of the national debt.

Therefore, it is time to come back to sounder financial conceptions, and to the introduction of budgets more in keeping with the realities that they should reflect.

What is, indeed, the main function of a minister of Finance? Presently, the Minister of Finance sets down the budget of the nation, figures out the expenditures and the taxes that he has to collect to cover them. If the public seems too heavily taxed, as it is the case concerning the white paper, the Minister of Finance decides either to cut down expenditures on certain items, or to contract new loans which are reflected by a further increase of the public debt.

At the present time, public finances are divided in receipts and expenditures and lead each year to a balance or to a running into debt which means that with the years, as I said a while ago, the Canadian debt is increasing.

The Minister of Finance and his predecessor (Mr. Sharp) did not act otherwise. The Ministers of Finance of previous governments had done the same thing, not a single one acts otherwise and not a single political party thinks otherwise, except the Ralliement Créditiste. We agree on one point: The Minister of Finance must introduce a budget showing the receipts and expenditures for the year, but there is more than a mere recording of figures under the column "expenditures and receipts."

A Minister of Finance under a Créditiste government would also submit a balance sheet of Canadian assets and liabilities, a statement indicating the enrichment and another showing the impoverishment of Canada.

For that purpose, a Créditiste government would establish a national credit board which would have to record in the assets column, any increase in wealth in Canada. A bridge built in Canada by Canadians would be an enrichment which should appear in the assets statement.

The construction of a road, a seaway, a hospital or a school, all new public services offered the people of Canada must appear among the assets of the country.

At the present time, I challenge the government and the Minister of Finance to show them to me in the budgets he introduced. I dare him to show me where those additions to the assets of Canada, that new Canadian wealth, are to be found.

In the same trend of thought, the new plants built in Canada, the increase in the Canadian population, should be taken into account. It is said that the human capital is our greatest wealth. Where is mention made of it on the books, under the assets of the country? Nowhere.

Also, more than 300,000 new graduates will enter the labour market this year. That is a sure asset, that is a source of wealth, because those new workers, better educated than their elders, will use their energies, their mind and their knowledge to ensure a greater and better production. That is a very important asset for this country.

Social Credit Monetary Policy

Each year the assets should increase, but nothing of the kind appears at present in the budgetary papers which the present Minister of Finance, or previous ministers of finance table each year.

For instance, which agency sees to it that the financial credit reflects the increase in real credit? Who anticipates the increase in financial credit, in the face of the increase in real values? The increase in financial credit is done haphazardly, hit or miss, according to the fancy of bankers, sole creators of credit in Canada under the present system.

If production increases, who makes sure that the purchasing power increases accordingly? Which government agency makes sure that the amount of money in circulation increases in the same proportion so as to balance the higher output produced by Canadians? The Minister of Finance does not care about an increase in productivity due to new factories, new workers, new brains. No government, no political party, whether or not in the opposition, ever proposed that the positive assets of Canada be made to benefit Canadians.

Everything is left to chance. The governments, the various ministers of finance have never been concerned with controlling the money supply according to our assets or liabilities or our yearly increase in depreciation and in output. The governments let the entrepreneurs and finance ministers settle their accounts with the bankers when money gets scarce.

Chartered banks, private interests are those who decide to increase or reduce the money supply according to production. The bankers are the ones who decide also that all that money will have to come out of the consumers' or taxpayers' pockets, through higher taxes or interests.

Any increase in wealth is thus checked and restrained, penalized and taxed. Farmers, industrialists and all governments must comply with the wishes and the terms of bankers. But what would a Créditiste government do? According to the monetary system of the Social Credit, the best thing to do is to fill such a gap through the establishment of an accounting method geared to the requirements of our country. Should the production capacity increase, the national credit account should show it under assets. Any depreciation, any wearing out, any loss, any destruction, should be entered under liabilities.

The difference should normally be reflected by a net increase in wealth to which must correspond an issue of money which would enable the country to profit by it.

This may not seem like much.

But if in 1929 we had used such an accounting method to adjust money to reality, people would not have starved before heaps of products. If in 1971, we used this accounting method, we would not have about one million unemployed to reflect our paralyzed production because we are short of money in spite of affluence.

What is the Minister of Finance asking himself when preparing his budget? What does the country want, what can the country pay? He starts by asking himself the

second question if he wants to balance his budget. Under a Créditiste system, what would the Minister of Finance ask himself? He would ask himself two questions. What does the country want? Whan can Canada supply, not in terms of money or taxes, but in terms of men, labour, resources and techniques?

• (9:30 p.m.)

Who are those and what are the materials the country can do without in the production of food and clothing, in the construction of roads, bridges and hospitals?

If the government decides to build the pipeline along the Mackenzie, the workers and businesses engaged in this project will produce neither food nor clothing. Other people will have to provide them in their stead, to produce food for those employed in the construction of the pipeline as well as for themselves.

The problem is to know whether, under a Social Credit government, the country would be physically able to construct the pipeline without prejudice to the production of consumer goods. Money has nothing to do with that, nor does the bankers' will. Under the Social Credit system there would still exist physical problems, but no longer monetary problems, since money should reflect the real facts and be connected with them.

A Social Credit budget would be based on the hierarchy of the public services required and possibly available, and there would be no question of taxes, for government expenses have nothing to do with taxes. Then, it would provide for the cases where excess money would have to be withdrawn, but it would not impose taxes simply to balance the budget. Taxes have nothing to do with expenditures. The basis of the Social Credit budget would be what the country can provide in the form of public or private services, and the financing problem would be set aside, for finance must be managed as the needs appear, within the physical limits of the country's possibilities.

Mr. André Fortin (Lotbinière): Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert), seconded by the hon. member for Kamouraska (Mr. Dionne), has tabled the following motion:

That this House regrets that the government has not seen fit to apply Social Credit monetary policy.

I congratulate them heartily because it is a rather sorry sight to find that the government not only does not innovate, but also keeps repeating the mistakes of preceding governments. This is why we propose that they apply or at least study honestly the open and earnest position of the Social Credit, but in vain because our advice falls on barren land; at the sight of members laughing, we wonder if that is the only thing they can do.

However, this is a definite proposal, in the sense that we suggest again to the government to study first the Créditiste proposals before rejecting them out of hand.

The present liberal government believed, at the last election, that it had appropriate solutions to the various problems of the Canadian people, and that they are more

themselves who said that, but publicity, the power of money.

Mr. Speaker, the government must recognize today its failure in this respect. Successive governments, both Grits and Tories, never wanted to admit that the basic problem which is the direct source of all others was the financial problem. Instead of recognizing it and trying to tackle it, they focus their policies on secondary problems which in fact prove that they are unaware of the real problems of the Canadian people, and that they are more interested in protecting their party than in bringing new and effective solutions. We saw a proof of that when a good Grit and a good Tory, the Minister of National Revenue (Mr. Gray) and the member for Joliette (Mr. La Salle) had a heated exchange.

To realize the ineffectiveness of this administration, one has only to recall the countless white papers and royal commissions which cost millions of dollars and give nothing to the population. Those are the solutions offered to us. We, of the Ralliement Creditiste, are most anxious to get action from the government.

The solutions suggested by the Créditistes all have economic balance as a common denominator, as determined by the constant balance that should exist between the production forces on the one hand and the consumer forces on the other. In suggesting practical and specific legislation, Social Credit tends to accelerate the economic process involving both these major lines of force while enabling the human individual to fully enjoy its role as a producer or as a consumer, in complete freedom, and security, assured of a guaranteed minimum income as the hon. member for Shefford (Mr. Rondeau) said a while ago.

To achieve that we propose as a basic rule a debt-free monetary and credit system through realistic monetary and fiscal proposals to encourage the balance of our internal economy and of our foreign trade.

The successive Liberal and Conservative governments have all advocated the same monetary and fiscal solutions for the same economic and financial problems. You may recall for instance the famous period of austerity imposed on us by the Conservative government under the right hon. member for Prince Albert (Mr. Diefenbaker) who was Prime Minister in 1962.

As the Liberals of Mr. Pearson were then in the opposition, they proposed, as you will see at page 1348 of *Hansard* of November 6, 1962, the following motion blaming the Conservative government, and I quote:

This House is of the opinion that the emergency austerity program of tariff surcharges and tight money introduced on June 24 of this year should be stopped at once.

That was Mr. Pearson, Mr. Speaker, blaming Mr. Diefenbaker.

The Progressive Conservatives, it will be remembered, had formulated and adopted on June 24, 1962 a policy of credit restrictions. They said: tighten your belts, because of inflationary pressures. This galloping inflation must be checked.

Progressive Conservatives, in their effort to prevent galloping inflation, prevented Canadians from eating and

living decently and from freely fulfilling themselves, although our country abounds in resources.

The Progressive Conservatives' credit restriction policy, completely failed and the fight against inflation, waged by means of inadequate fiscal and monetary means, brought about a real unemployment crisis.

The Progressive Conservatives were defeated and the Liberals took over. The car did not work any more. Instead of repairing the motor, they were satisfied with changing the fuel, and the driver. As a result, nothing changed and the car still did not run. It is always the same thing. The same causes produce the same effects, as the saying goes, and thus, they refuse to consider new proposals.

Let us continue this short lecture on Canadian history, because it is very interesting. Thus it is that the actual Prime Minister (Mr. Trudeau) immediately following his election whose success was due not to the solutions proposed, but rather to well-filled coffers and a well orchestrated publicity, attacked inflation head on.

• (9:40 p.m.)

We must check inflation, he said. He therefore took steps to put a restraint on credit by raising tariff rates, for instance, and allowing a spectacular increase in interest rates.

This is exactly what the right hon. member for Prince Albert (Mr. Diefenbaker) the Prime Minister of the time did, and in 1962, the right hon. Mr. Pearson put the blame on the Conservatives for this action. All this was intended to collect votes, of course.

Mr. Speaker, the result of this is that one fine morning the right hon. Prime Minister will get up and say: Inflation is no longer gaining ground, it has been curbed. Then we will wake up and, once more, find unemployment. So we will start studying unemployment rates only to note that we are the prey to an amazing unemployment crisis. It is exactly what happened after the famous fight against inflation during the former conservative administration. The more it changes, the more it is the same!

Mr. Speaker, I would say that there is deliberate ill-will. The liberals will claim that this is false, but I will prove to them tonight that they are mistaken and that they mislead the public.

As a matter of fact, on November 6, 1962, because of the ridiculous measures adopted by the Progressive Conservative government to solve the economic problem and because of the stupid political play for votes by the liberals who were blaming the Conservatives for doing what they themselves had done previously, the Créditistes rose to move an amendment to the amendment which read as follows, and I quote:

> That the amendment be amended by adding the following at the end thereof: "and replaced with a policy of debt free money and constructive proposals to foster balanced domestic economy and balanced international trade."

In other words, that was what we are proposing today. And tomorrow when the speeches of our hon. colleagues are read, it will be found that all have repeated the same thing.

In 1962, Créditistes were demanding, as today, a comprehensive monetary reform and were offering the progressive conservative government then in office solutions to the financial problems of those days.

Mr. Speaker, it would at this time be interesting to look into the way the Liberals voted on this Créditiste motion in 1962. They supported it. Among the Liberals who voted for the créditiste amendment to the amendment, there were the hon. member for Bonaventure (Mr. Béchard), the present Minister of Finance (Mr. Benson), the hon. member for Trinity (Mr. Hellyer), the present Minister of National Defence (Mr. Macdonald), the President of the Privy Council (Mr. MacEachen), the former Minister of Public Works (Mr. McIlraith), Senator Martin, former Prime Minister Pearson, Mr. Pickersgill, Mr. Sauvé and the present Minister of Justice (Mr. Turner). There were also many other members who voted in favour of the Créditiste amendment which requested the replacement of the present system of indebtedness by a debt free monetary system. That was the Créditiste amendment.

It provided for an in depth monetary reform through which the present monetary system of indebtedness would be replaced by a policy of debt free money, with a view to balancing the forces of production and consumption and thus allowing every Canadian citizen to play his full role in the economic system.

At that time, the liberals voted for—

Mr. Béchard: Where is that?

Mr. Fortin: Mr. Speaker, my hon. friend will find the reference on page 1348 of *Hansard* for November 6, 1962—

Mr. Béchard: That does not mean anything.

Mr. Fortin: It means that the liberals, at that time, voted for returning the control of money and credit to the Bank of Canada and thus have money serve the Canadian people.

Mr. Béchard: That is not true.

Mr. Fortin: But were they really interested in that fundamental reform, or did they merely want to overthrow the progressive conservative government and take over the power? Furthermore, the protests of the hon. member opposite prove it.

That is hypocrisy, or else simply, dishonesty towards the people.

Today, the Liberals laugh at the Créditiste proposals and refuse to consider them. It is sheer inconsistency which shows that they are only interested in governing at the expense of the Canadian people who are finally the ones who suffer.

Loans were not first granted to foreign countries by the Liberals but by the Conservatives and they continued to do so. Thus Liberals and Conservatives have never done anything to finance the public sector, as requested.

Social Credit Monetary Policy

Hundreds of million dollars are granted to foreign countries, but Canadians are told that it is impossible to grant them any money. Recently, during the question period, I asked the Prime Minister—

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Would the hon. member permit a question?

Mr. Fortin: Mr. Speaker, when I have completed my remarks, I will gladly answer all questions. I will give time to the hon. member to prepare his question, it will be better.

Last week, I asked the Prime Minister whether he intended to grant interest free loans to the provinces and municipalities to finance the public sector, as he did for India, where he just happened to leave behind $201 millions to be paid back without interest over a period of 50 years.

He stood up and replied that such small amounts could not be granted to the provinces and municipalities. That is rather a serious answer, which indicates again that one is not there to manage the assets of the people, but the power, on the grounds that others would not do better.

Mr. Speaker, this is an upside down system placed under the leadership of the most "upside down" people you can find.

Mr. Béchard: This is Caouette, spit and image.

Mr. Fortin: It is an honor, thank you. For instance, Tories or Grits, when in office, will grant millions in loans, but not to Canadians.

As a result, Canadians have to live in poverty in an overaffluent country. This is why we blame the government; because it did not apply Social Credit monetary proposals, although the Grits did support them on November 6, 1962 while they were in the opposition.

This, I repeat, shows their poor reliability and their lack of competence in managing public affairs.

The Canadian people are anxious to know what solutions such governments propose, and as long as we have to put up with reform on paper, that is with white papers and reports from royal commissions of inquiry, and as my colleague from Shefford (Mr. Rondeau) said, as long as we act as beggars, hardship will keep growing in Canada.

I am now ready to listen to the question of my colleague, whom I hope, is not himself a beggar of the kind that was known in the past in Quebec and Ottawa.

Mr. Béchard: Mr. Speaker, I see that the hon. member now has enough time to reply to my question. I will put to him the question I intended to ask when I interrupted him.

He appeared to criticize the loans and gifts granted by Canada to underdeveloped countries.

Does the hon. member object to Canada helping underdeveloped countries?

[Mr. Fortin.]

Mr. Fortin: Mr. Speaker, I am very grateful to my hon. colleague for that question. I thank him for having given me written notice of his question, thus allowing me to prepare the reply I have before me.

Mr. Speaker, the members of the Ralliement Créditiste in the House at the present time, as well as those who have preceded us—

Mr. Béchard: Please reply.

Mr. Fortin: —have always favoured interest-free loans to other countries. Besides, Mr. Speaker, they are part of the monetary policy put forward by Social Credit: provide money to serve people, to serve human beings, whatever their race or language, for we make no distinctions. In 1950, Canada deposited with the International Monetary Fund the interest-free amount of $245,400,000, and with the International Bank for Reconstruction and Development the amount of $53,506,500, to be paid back in 50 years, with 10 years' grace. If the same favour were granted to Quebec, to other provinces or municipalities, today, the country could be developed.

I now ask a question of the hon. member. If he thinks these loans are desirable for foreigners, why not for Canadians?

Mr. Béchard: Mr. Speaker, the Créditistes have the knack of answering without saying anything. I asked for an answer and I am given a speech on Social Credit.

Would the honourable member tell me which item of the Social Credit program provides—

[*English*]

Mr. Deputy Speaker: Order, please. Would the hon. member resume his seat, please. The parliamentary secretary had the floor for the purpose of asking a question. If he would ask his question, I think the hon. member for Lotbinière (Mr. Fortin) would be prepared to reply to it.

• (9:50 p.m.)

[*Translation*]

Mr. Fortin: Mr. Speaker, we find once more how minds can be distorted. We are in favour of loans to foreign countries but we want loans to be made available to Canadians. I hope it is clear enough for my "dumb" colleague.

An hon. Member: It is temporary.

Mr. Fortin: I hope for him it is temporary but that could be fixed.

Anyway, I am sorry to have lost my temper. When we try to suggest solutions, that is the kind of answer we get. Anyway, I have conducted a study which lead me to conclude that Canadians are now in debt for over 13 billion dollars with finance companies, banks and private lenders.

Canada's debt is overwhelming and to finance it, we are about to borrow from foreigners at high interest rates to pay the interests on our debt and not to pay it off.

That is how Canada's debt and Canadians' debts increase and how our purchasing power is being reduced. In fact, in order to repay these loans, Canadians must, of course, pay more taxes.

This is why this policy of loans without interest is basic since it would promote our economic growth, the development of the public sector and of provincial and local governments out of public funds made available by the Bank of Canada and loans without interest, to ensure the continuous, progressive development of Canada. That is what we want and I hope those proposals will be studied fairly by the members opposite so that we may get out of the beaten track, break up new ground and finally act upon them.

It is important to put order in the present administration. In conclusion, I point out that the gross national product in Canada, in October 1970, was $84.1 billion. The three levels of government spent $30.9 billion or 38 per cent of the total. In 1967, the three levels of government spent only 35 per cent of the gross national product.

Within three years, the total expenditures of the three levels of government increased by 47 per cent. Where did they get the money? In the taxpayers' pockets.

Let us see now whether the money supply went up. Mr. Speaker...

[*English*]

Mr. Deputy Speaker: The hon. member for Sainte-Marie (Mr. Valade) on a point of order.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, it is not my intention to prevent my friend from going on with his explanations, but he was asked to answer a question, I realize that he has been speaking for 15 minutes. If his time is up, Mr. Speaker, you should recognize another member. I am ready to speak if you allow me.

[*English*]

Mr. Deputy Speaker: The understanding of the Chair is that the hon. member's time has not elapsed. If I am in error in this respect, I stand to be corrected. However, I have not yet received advice that the hon. member's time has expired.

Mr. Valade: I rise on a point of order, Mr. Speaker. The hon. member sat down, having said he had concluded his remarks, and was ready to accept a question from the hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard). I raised the point of order because he had finished his speech.

Mr. Deputy Speaker: Order, please. The Chair is aware that the hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard) said this during the course of his remarks, but often hon. members say they are about to conclude their remarks when in fact they are not. The Chair must be guided by the time allotted to hon. members, and I have not yet been advised that the hon. member's time has expired.

Social Credit Monetary Policy

[*Translation*]

Mr. André Fortin (Lotbinière): Thank you, Mr. Speaker. As I said before, the gross national product has increased constantly and, on the other hand, in December 1970, the money supply was totalling 32,081 million dollars.

We can see the lack of balance between the forces of production on the one hand the forces of consumption on the other.

This is the reason why the debts of Canadians, of municipalities and of provinces continue to increase. This is also why we blame the government for not having seen fit to apply social credit.

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I am advised that his time has expired.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I only have three minutes left to answer those ridiculous and childish charges raised as a result of the motion which very seriously implied that this government should adopt a monetary policy in line with Créditiste theories.

Mr. Speaker, I only have three minutes left and the member for Lotbinière (Mr. Fortin) should put an end to his antics.

[*English*]

Mr. Deputy Speaker: Order, please. Is the hon. member for Lotbinière (Mr. Fortin) rising on a point of order?

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order. The opening remarks of the hon. member for Sainte-Marie (Mr. Valade) have absolutely no connection with the motion which reads as follows:

> That this House regrets that the government has not seen fit to apply Social Credit monetary policy—

—because its administration is an economic failure.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Sainte-Marie has very limited time at his disposal. With respect, it seems to the Chair that the debate has been rather wide-ranging on this motion and I hope hon. members will allow the hon. member for Sainte-Marie to be heard.

[*Translation*]

Mr. Valade: I thank you, Mr. Speaker, for your—

Some hon. Members: Oh! oh!

Mr. Valade: I draw to your attention, Mr. Speaker, that under the rules of the House it is forbidden to an hon. member to cause disorder in the House—

[*English*]

Some hon. Members: Oh, oh!

Proceedings on Adjournment Motion

Mr. Deputy Speaker: Order, please. I hope the House will allow the hon. member for Sainte-Marie to conclude his remarks.

Mr. Knowles (Winnipeg North Centre): That is an old, Liberal trick.

Mr. Valade: It is an old, Liberal trick—yet these are the people who have condemned the Conservatives and the Liberals for avoiding the issue.

Mr. Bell: The Liberals voted for them at one time.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Valade: Mr. Speaker, I have just proved by my remarks that the statements of the leader of the Ralliement créditiste (Mr. Caouette) that we are a great country which should respect the two founding groups are still valid. The hon. member for Témiscamingue outlined for the House his concept of a new federalism, which he commended. His party has just dared me to speak in the House otherwise than in French, an attitude which proves the hypocrisy of the Créditistes in this House while their leader claims to be the great champion of civil liberties, of the great democratic freedom of Parliament. He is the one—

Mr. Rondeau: I rise on a point of order, Mr. Speaker—

[*English*]

Mr. Deputy Speaker: Order. The Chair understands the hon. member is rising on a point of order.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I point out that it is ten o'clock sharp.

[*English*]

Mr. Deputy Speaker: Order, please. It being ten o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 58(11) the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AIR CANADA—SUGGESTED EMPLOYMENT OF NATIVE INDIAN GIRLS AS STEWARDESSES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, on February 9 the Minister of Transport (Mr. Jamieson) indicated, in answer to a question prior to a supplementary put by me, that there was no racial discrimination in the hiring policies of the Department of Transport. I think the question originally had to do with the hiring of native people. I was prompted to ask the supplementary question, requesting the minister to use the influence of his office to see that no discrimination was practised by carriers and other agencies that come under his jurisdiction.

Like other hon. members who represent western constituencies, it is natural that I travel across Canada frequently, and since I am not yet blind nor, I hope, senile I have often had occasion to observe air hostesses. I do not imagine I am unique in that masculine pastime. I refer to air hostesses, stewardesses—in particular, those employed by Air Canada. I have seen and heard, and gathered from their speech patterns, girls who obviously were born in Britain, some who sounded as if they were born in Germany, certainly a number of French-Canadian girls, West Indian girls, Chinese-Canadian girls and Canadian born girls of Caucasian origin.

• (10:00 p.m.)

An hon. Member: Any from Port Moody?

Mr. Rose: Not so far. But in all my travels I have yet to see a stewardess who looks as if she is of Indian or Eskimo ancestry.

An hon. Member: Or Métis?

Mr. Rose: Or Métis. I have asked myself, why is this? Surely a responsible Crown corporation such as Air Canada would not countenance something as pernicious as racial discrimination in its hiring policies. However, I have not seen any representatives of the indigenous peoples working in the capacity of air hostess.

If we rule out the possibility of racial discrimination—and I certainly rule that out as an overt practice—what are the other possible explanations? It may be said that one is that young, native, indigenous women are not interested in this occupation—but that would be strange, and most unlikely, because this occupation is one of the most attractive and is considered glamorous by many young women. It is therefore sought by young women. I know that a number of bush airlines employ young Eskimo and native men as pilots, so clearly indigenous people are not averse to flying.

Another explanation is that it is possible—indeed, it may be probable—that far too few of our young, native women can meet the entrance qualifications because of a long and tragic history of cultural collapse and sociological chaos. This has resulted from an educational system that is inadequate and has failed to prepare these young women to meet the entrance standards required by airlines.

It is because of the sociological chaos and cultural collapse that I raise this matter tonight. I think that the airlines should, as a matter of policy, actively recruit native Indian and Eskimo girls for stewardess positions. There are between 250,000 and 300,000 indigenous people in this country, and I believe that they are grossly underrepresented in positions of this kind, just as I believe that native Indians and Eskimos are grossly underrepresented in our secondary schools and colleges. It is time we did something to correct this situation.

I know that one or two natives were hired by Air Canada as long ago as 1965, and I believe that PWA also

has a policy of hiring young, indigenous people. But I think there should be far more of these hirings, even if we have to lower the educational requirements. I say this, Mr. Speaker, because we constantly see cases where kids have gone back to college without having to surmount the prerequisite academic hurdles that most of us were required to surmount, and they have done very well. I think we will find that our native peoples will do very well in this field.

I think it is time we started discriminating in favour of our native peoples. For hundreds of years we have discriminated against them. I think that in this country we are becoming more enlightened: we recognize that there are minorities. In the case of Francophones who have been underrepresented in the federal public service, the government has introduced a policy which will try to correct this situation. My party and I support these programs.

I should like to see young, native males and females enter occupations for which I think they would be well suited. For instance, they could embark upon all kinds of tourist-oriented occupations. At present many tourist kiosks across the country employ high school students in the summer. In British Columbia we employ them as tourist guides on the ferries of Mr. Bennett's "navy". Why could not some of these positions be held open for native peoples? I do not think there are enough native people in such positions.

I should like to see far more attention paid to providing native peoples with an opportunity to enter the attractive and, let us say, "status" positions—because they have been excluded from them in the past. I hope there will be more job opportunities for them in fields in which they can make a worthwhile contribution. Let me emphasize that I do not think they should be singled out and become part of the advertising or promotional campaign of any company. Nevertheless, I think that if given a chance to do a job they will be proud of, they will work hard and acquit themselves admirably.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to respond this evening to the hon. member for Fraser Valley West (Mr. Rose), and in so doing to express without reservation the concurrence of the Minister of Transport (Mr. Jamieson) and, I am sure, the entire government in promoting employment policies that are non-discriminatory.

We are discussing a subject with regard to which I can only say that everything possible is being done to ensure that no person or group of persons is discriminated against in this country. Sometimes in carrying out policies problems can arise with personalities, but action always is taken promptly to rectify any unfair or unjust practices.

In the case of Air Canada, their policy on hiring stewardesses is well known. Ethnic origin is not a determining factor. There are certain educational qualifications, certain physical qualifications and in some cases language requirements which must be met by an applicant. Provided these qualifications are satisfied, selection is on the basis of merit without regard to any question of racial background.

In extending these assurances to the hon. member I add that if he has any additional suggestions in mind which would benefit either Air Canada or the Department of Transport, I would be only too pleased to take them up with the appropriate authorities. Air Canada officials will be appearing before the Standing Committee on Transport and Communications in several weeks' time and the hon. member will have plenty of opportunity to ask detailed questions at this forum.

STATUS OF WOMEN—DESIGNATION OF MINISTER TO STUDY COMMISSION REPORT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this seems to be ladies' night. A month ago I asked the Prime Minister (Mr. Trudeau) if, in view of the great interest being shown by women's organizations across the country, he could name the date when someone in the cabinet would be designated to be in charge of the report of the Royal Commission on the Status of Women, and its implementation. Agile as usual, the Prime Minister replied that he was surprised at my suggestion that we downgrade the report to the level of one minister, adding:

> I say the full cabinet is concerned with it.

Having learned from my childhood that what is everybody's business is nobody's business, I was not impressed with this reply, particularly when I recalled what the Secretary of State for External Affairs (Mr. Sharp) said earlier. Cornered some time ago by newsmen and asked which minister would most likely be chosen, he laughed and said he did not know if any of them would be keen to take on the job.

I was impressed, however, when the Prime Minister made the status of women the subject of his address to the Liberal party's fund raising dinner in Toronto on March 3. He indicated that progress toward equality had been made by women since 1912, when Sir Rodmond Roblin, then Premier of Manitoba, complained that he was "opposed by all the short-haired women and all the long-haired men in the province". The Prime Minister could have added that when the women of Manitoba sent a delegation to him to ask for the vote, he called them "hyenas in petticoats". We have come a long way since then, but there is still a long way to go before women can reach true equality with men in the work place, the home, the legislative halls and the community.

The Prime Minister has taken certain, very useful first steps by establishing an interdepartmental committee to examine the recommendations of the status of women report and a co-ordinator who is a very able woman. However, in my opinion that is not enough. If the report is being taken seriously by the government, and if its findings are to be given high legislative priority, there must be someone at cabinet level to push them and work for their implementation. Hints have been made at cabinet level that something of that kind may be forthcoming. Speaking in the debate on the status of women

report, initiated in this House by the New Democratic Party on March 9, the minister in charge of housing said:

I might go so far as to say that if our friends in the opposition will help us get through the government reorganization bill, it might even happen that the minister chosen to handle this subject will be appointed.

A brand new minister to handle the status of women report? Perhaps the Secretary of State for External Affairs was right—and none of the existing ministers are brave enough to take on the job.

Mr. Benjamin: Barney will do it.

Mrs. MacInnis: Several federal by-elections will soon be held. Perhaps the Prime Minister has it in mind to run a woman in a safe seat—if he can find one—and then appoint her as a minister; who knows? The important thing is to appoint a minister who will make a start. Even a man will do, if he is competent. What is important is to get going on some of the most urgent recommendations of the report.

• (10:10 p.m.)

As the minister in charge of housing observed recently, we cannot research for ever; we have to move, even if still somewhat crudely, in some direction. Once again I ask the Prime Minister to tell us when we may expect to see a minister charged with getting the recommendations of the Royal Commission on the Status of Women out of the pages of the report and into legislative action.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am happy to engage in this somewhat informal debate with the hon. member for Vancouver-Kingsway (Mrs. MacInnis). She has already referred to the remarks of the minister responsible for housing. I should like to quote from his statement as reported in *Hansard* for March 9, page 4097, as follows:

The recommendations of this royal commission directly affect the programs of 25 federal departments. Actions on the recommendations can easily be counter-productive, tending perhaps to cancel each other out if they are not very carefully co-ordinated. This government wants action, as the priority pledge of the Prime Minister indicates, but it does not want a mish-mash. So there has been established a central co-ordinating function within the Privy Council office. I might go so far as to say that if our friends in the opposition will help us get through the government re-organization bill it might even happen that the minister chosen to handle this subject will be appointed. In the meantime, an interdepartmental committee is being established to examine all the recommendations and to draft policy suggestions for the cabinet.

Mr. Knowles (Winnipeg North Centre): Now give us your answer.

Mr. Danson: Aside from the rhetoric which may be generated on this subject, if we review the legislation, the policies and the appointments made by this government and take into account the high priority which the Prime Minister (Mr. Trudeau) gave to this issue in the speech to which the hon. member referred, together with the fact that he followed this up with such decisive action, the situation is indeed encouraging. I would gladly settle for equal rights with women. The Prime Minister is, of course, having this experience himself at the present time. Whether the minister envisaged by the hon. lady is male or female really does not matter, as she herself said. It is a question of sensitivity and awareness of what ought to be done. Otherwise, it becomes a form of discrimination in itself.

Those of us who were present on a memorable occasion not long ago heard a speech which was a milestone in the history of the government of Canada. I could not help but be moved by the words of the Prime Minister in Toronto that night. Our actions to date, and those which are to come, besides, of course, the deep commitment made by the Prime Minister only the following day, indicate the thrust of the government and the tidings of good things to come.

CONSUMER AFFAIRS—MARK TEN CIGARETTE COUPON PROMOTION

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, a few days ago on the Orders of the Day I attempted to raise a question with the Minister of Justice (Mr. Turner) having to do with what seems to be an incredible deal put over by a cigarette company, Mark Ten Cigarettes. Under the terms of this deal, Mark Ten Cigarettes undertook to provide any person who smoked a pack of their cigarettes a day, saved one coupon from each pack and turned them in to the company, with a colour-television set.

The incredible part of this deal, to me, is that according to my figures it would take no less than 243 years for a smoker who smoked one pack per day and followed the other instructions to acquire a colour-television set. I realize that the intention of the cigarette company is to encourage people to get together, smoke as hard as they can and get as many coupons out of the packets as possible so that they can be turned in. But even if ten people got together, it would take them 24 years at that rate to get a colour-television set. To me this seemed to be a matter that would surely interest the Minister of Justice—if there is any justice—in regard to the Criminal Code and its broad sections. I was ruled out of order by Mr. Speaker at the time, but I welcome the opportunity to say a few words tonight and put the question again.

I have spoken so far only in regard to the length of time that the Mark Ten cigarette couponeering deal would take a person to get a television set by smoking their cigarettes, but I might mention it would also take about $50,000 worth of cigarette packages to qualify for a set. I will not say anything at the moment—though I have in the past and probably will in the future—about the impairment to health that would follow the smoking of so many cigarettes. We are told that the smoking of 88,000 packages, either individually or shared between 10 or 20 people, would do much to promote lung cancer, heart trouble, emphysema and bronchitis.

It is no secret that cigarette smoking has been condemned by our health and welfare department and the equivalent departments of other countries as the greatest disease-breeder known. Although my question was ruled out of order at the time I raised it, I am thankful that the

Canadian Press saw fit to put it across the country. I have received a great many responses as a result of the publicity given my question.

I come back to this point. I should like a representative of the government to say whether the Minister of Justice intends to look into the promotion put forward by Mark Ten Cigarettes with a view to ascertaining whether this is a matter that concerns the minister under the Criminal Code, or whether he would at least refer the matter to the attention of his colleague the Minister of Consumer and Corporate Affairs (Mr. Basford).

In conclusion, I am sure I am right in suggesting that the Mark Ten Cigarette Company, and perhaps others, knowing very well that the day is very close when the government will finally introduce legislation to phase out cigarette advertising and couponeering, are seeking the opportunity of hooking as many people as possible and making them as addicted to smoking as they can before cigarette advertising is prohibited. I should like a representative of the government to state what is the position of the government in this regard.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the minister's views on the use of promotional gimmicks are well known to members of the House and the public in general. The government has laid charges recently in a number of cases involving advertising and promotion through games, contests and other devices, under the misleading advertising provisions of the Combines Investigation Act. Two companies, including one cigarette company, have been convicted. We have four cases involving games and contests before the courts at the present time. We will, of course, examine this promotion, which involves premiums, to see whether it contravenes the Combines Investigation Act. Hon. members can be assured that we will take whatever action the existing law allows.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Wednesday, March 17, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BILINGUALISM AND BICULTURALISM

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND CO-CHAIRMEN OF COMMISSION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, last week in response to a request from the hon. member for Edmonton West I undertook to table correspondence between myself and the co-chairmen of the Royal Commission on Bilingualism and Biculturalism. Under the provisions of Standing Order 41(2) I should like to fulfil that undertaking, Mr. Speaker.

* * *

TRADE

PROPOSED UNITED KINGDOM AGRICULTURAL IMPORT LEVY SYSTEM—STATEMENT ON RESULTS OF NEGOTIATIONS WITH BRITAIN

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, as hon. members know, the government of the United Kingdom announced last October that they were planning to introduce a new system of import levies on certain agricultural products, particularly cereals. The United Kingdom indicated that the purpose of this move is to reduce the dependence of British farmers on support payments from the treasury and to pave the way for adaptation of the British agricultural system to the common agricultural policy of the European Economic Community if Britain is successful in the negotiations for membership in the Common Market.

Of special concern to Canada was the British intention to include products such as wheat, barley and flour under the new levy system and the impact this might have on our traditional exports of these cereals to Britain. The Canadian government, therefore, immediately expressed its concern about this to the British authorities in the strongest terms. Intensive consultations were held with the United Kingdom at both the ministerial and official levels. The subject was discussed with British Prime Minister Heath during his visit to Ottawa last December and with Mr. Rippon, the British minister responsible for the negotiations with the EEC, when he was here earlier this month. Discussions with the British were continued last week in London by a Canadian delegation consisting of officials of government departments and the Canadian Wheat Board.

The British government have made it clear that they intend to proceed with introduction of the general levy system effective July 1, 1971. They asked the major suppliers, Canada, the United States, Australia and Argentina, to enter into agreements with them under which we would temporarily suspend our rights to bindings in the British tariff on the products concerned. It would have been open to Canada and the other major supplying countries to decline to enter into such agreements. Britain would then have been obliged to negotiate its way out of its contractual commitments by offering compensation to Canada and the other supplying countries or, if it was unable or unwilling to provide adequate compensation, to acquiesce in the withdrawal of concessions enjoyed by British goods in our markets. However, this would have been of no assistance to the agricultural interests affected by the British scheme. Therefore, while keeping this possibility in reserve, we and the other major suppliers decided it was more advantageous to seek improvements in the mechanics of the British levy system which would lessen its trade impact and to explore the terms and conditions which we could obtain in return for a temporary suspension of our contractual rights.

As a result of these discussions we have now obtained firm undertakings from Britain to make important changes in the operation of their scheme as it affects Canadian interests. We have also obtained categorical assurances that the British objective will be to avoid disruption of existing patterns of trade with Canada, including the level of imports, and that Britain will consult with us on all aspects of the implementation of their new policy. Furthermore, the British government has agreed to reduce the average increases in their "minimum import prices" from the levels they had originally proposed to an average of £ 3½ in the crop year 1971-72 and £ 6, over the present level, in the period from July 1 to December 31, 1972.

• (2:10 p.m.)

In the light of, and of course contingent on, these undertakings the Canadian government has now indicated to the British government that it will not at this time exercise its contractual rights by virtue of tariff bindings under the GATT and bilateral agreements. It is understood that these rights, however, remain unimpaired. Moreover, the agreement we have negotiated with Britain may be terminated on three months' notice.

The following are the specific changes in the operation of the levy scheme which the British government has agreed to make as a result of the consultations with Canada:

(a) incorporation of Canadian wheat grades in the schedule of threshold prices on a more favourable basis than originally proposed including alterations in the schedule to take full account of the new Canadian grading system;

(b) separate category for selected malting barley so that any levy on this product will not be set by lower priced feed barley;

(c) separate category for denatured feed wheat so that any levy on milling grades would not be based on low prices of feed wheat;

(d) separate category for flour for animal feeding purposes in order to avoid the possibility that any levy on baking flour would be based on low-priced feed flour.

Despite these important improvements and the assurances we have received, the Canadian government has indicated to the U.K. that the move to a levy system in a sector of trade which is so important to Canada is a matter of serious concern. This relates not only to the possible direct impact for Canadian trade but also to the implications for efforts to liberalize international trade in agricultural products and minimize adverse effects of EEC enlargement on outside suppliers of farm products. We shall, therefore, be keeping the developments of our cereals trade with Britain under close review in the light of the undertakings we have obtained.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, on a first glance at the statement one must come to the conclusion that the ramifications of Britain's entry into the European Common Market will be very great. Thus it would seem logical that there should be a great deal of consultation between the governments of Canada and the United Kingdom in which all sectors of the Canadian economy must be involved. Those concerned with agricultural products, as well as those concerned with other commodities, must be given full information at all times. Certainly one would want to have the views of the opposition parties in the House. To this end I suggest that an item in the estimates might be brought before the House in order that this matter may be fully debated and members of the opposition may have an opportunity to put forward their views. This should be done so that, without any intention of hindering Britain in its efforts, Canadians may fully appreciate some of the problems facing that country and so that we may have the opportunity to present our views as to the approach we think should be taken by Canada.

I note that, according to a survey taken in Britain, approximately 70 per cent of the people there are not interested in Britain entering the European Common Market at the moment. This percentage may change as a result of negotiation. In view of the fact that we are willing to co-operate with Great Britain by relaxing some of our existing agreements in order to facilitate her negotiations, I hope Britain will be mindful of our position. Should she become a partner in the European Common Market, I hope her influence will be such that some of the existing barriers to trade will be broken down. I refer particularly to the use of subsidies by European Common Market countries, some of which are greater than the total price we receive for our products at the moment.

Without making further comment, I hope that the government will provide additional information later and give hon. members the fullest opportunity to explore the possible ramifications of this latest move.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the fact that the whole trade picture for grain is still going to be kept under review, that there is a possibility of returning to the tariff system from the levy system, and that negotiations may continue simply underwrites the uncertainty that we face in this very important area of trade. This flows directly from the failure of the Kennedy Round and the GATT negotiations to reach a satisfactory agreement with the Common Market on trade in farm products, cereal grains in particular. This is the fundamental point. Britain is merely adjusting to these circumstances. We are trying to adjust our trade to what Britain is doing.

The volume of our wheat sales to England has declined steadily in recent years. We have no assurance from the minister that this trend will not continue. We have no assurance from him that as a result of these lengthy negotiations we can be sure of an open entry to the British market and of not only maintaining our present trade in grain but increasing it.

It is time that the government made a clear statement to the House as to the position we are going to occupy with regard to cereal grains and whether we can expect to maintain our present volume of exports to England and to the Common Market. I wonder whether the government has explored the possibility of an associate status for Canada or are we going to find ourselves increasingly shut out of the Common Market? Are we going to lose access to that important market on an increasing scale?

The government should clarify its policy on this matter and also clarify how we are going to maintain our markets. We want answers. The report on the negotiations which the minister has just made to the House does not answer these very important questions.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I also believe that more information should be given to the House when there are changes in the field of exports or imports. We are convinced, however, that agriculture remains the basis of the economic structure of any society, including ours.

We must admit that the economic situation is changing around the world. With regard to exports and imports, we have noted that, for several years now, India and other countries, who sued to purchase part of our wheat production, have become exporting countries.

We understand that circumstances change, and that we must adapt to them, but nevertheless the minister in charge of wheat or grain sales to other countries should always keep the House well informed of the situation facing our wheat and grain producers.

I urge the minister to keep us in future more promptly informed of such matters than he does at present.

In any case, we hope our trade with England and other countries increases in such a way as to permit us adequately to promote Canadian agriculture.

INDUSTRY

LAYOFFS AT CANADAIR—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, under Standing Order 43, I intend to request the unanimous consent of the House to bring forward a motion regarding an urgent matter.

The urgency of the situation is clearly established by the developments which have been reported by the spokesmen of the International Association of Machinists and Aerospace Workers, that is that the situation at Canadair has never been so critical; that this company, which had on its payroll 10,000 workers in 1968, employs presently a mere 4,000; that a committee of reclassification forecasts that in December, the workers will be reduced to less than 1,900; that in spite of a slowdown in the aerospace industry in North America, the situation is more critical at Canadair than anywhere else; that this situation is the direct result of the inaction and lack of planning of this government as well as the lack of a comprehensive Canadian policy—

Mr. Speaker: Order. I must interrupt the hon. member to remind him of the provisions of Standing Order 43. The hon. member knows that under that Standing Order, he cannot raise an argument or make a statement as if his motion had been accepted and put to the House.

The spirit and letter of Standing Order 43 require that the hon. member should state as briefly as possible the reason why he wishes to put that motion and point out the urgency of the situation without indicating the substance of the argument on which he bases the motion itself.

This in my view is the only way to progress and study such motions. I am sure that the hon. member will want to consider the suggestions I am now making.

Mr. Valade: Mr. Speaker, I will certainly follow your directives. I was referring to Standing Order 43 which provides that a member who takes the initiative—

Mr. Speaker: Order. I am not inviting the hon. member to rise on a point of order, but I am simply reminding him of the provisions of Standing Order 43 as well as of the practice which has developed over the years. By the way, Standing Order 43 provides that hon. members who wish to introduce a motion under its terms must do so as briefly as possible.

Mr. Valade: Mr. Speaker, I was precisely trying to explain to this House the state of emergency which exists presently at Canadair as an immediate result of the government policy in the aero-astronautical field. In fact, I was trying rather to clarify the urgency of the situation, because of the unemployment that it is causing and to expound the reasons behind the motion that I intend to introduce.

Mr. Speaker, in conclusion may I say that I want to stand by your ruling. This state of emergency is due to the fact that the government does not propose any short term solution as, for instance, the purchase of the CL-215 aircraft in order to prevent the impending layoff of 2,000 Canadair employees. The unemployment which threatens the employees of this industry is ascribable to the lack of long term government policy in the establishment of a policy—

Mr. Speaker: Order. I must once more call the hon. member to order. If the terms of his motion are not pursuant to the Standing Order, it will not even be possible to put the motion to the House. The hon. member may move a motion pursuant to Standing Order 43. Therefore, I would invite him to explain as quickly as possible the motion he intends to move.

Mr. Valade: Mr. Speaker, in view of the disastrous situation of the economy and, in particular, of the employment situation in Canada, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That the Committee on Regional Development be required to consider without delay the economic difficulties in which Canadair of Montreal finds itself at this time, and recommend to the government immediate measures to be taken in order to palliate massive layoffs in this industry.

Mr. Speaker: The House heard the hon. member's motion—

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*English*]

THE CANADIAN ECONOMY

OPPORTUNITY FOR CANADIANS TO INVEST IN MACKENZIE VALLEY PIPELINE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under Standing Order 43 to ask unanimous consent of the House to propose a motion concerning a matter of urgent and pressing necessity. This matter concerns the desire of the Canadian people to be given the opportunity to invest in Canadian developments and the failure of the government to take cognizance of this fact while giving lip service to economic nationalism—

Mr. Speaker: Order, please. I have to interrupt the hon. member. I think this is a clear abuse of the Standing Order.

Some hon. Members: Hear, hear!

Mr. Speaker: I have to bring this to the attention of the House. I have previously brought to the attention of other hon. members the fact that Standing Order 43 is a very special Standing Order and, until recently, was rarely used. A change was made in our procedures relating to Standing Order 26, and following that, Standing Order 43 has been used by hon. members in place of Standing Order 26. But I point out that Standing Order 43 has a very limited application.

I suggest to the hon. member for Athabasca and to the House in general that Standing Order 43 does not provide an opportunity for debate. It does not make it possible for any member of the House, for someone representing another party, to comment on the statements which are being made in support of such motion. In the circumstances I suggest that it is entirely out of order and contrary not only to the spirit but also to the letter of the Standing Order to make a lengthy statement in support of a proposed motion. All an hon. member can do is to follow the prescription of Standing Order 43 and explain why there is urgency that the motion proposed for consideration under the terms of Standing Order 43 should be received by the unanimous consent of the House.

Mr. Yewchuk: I apologize to you, Sir, if I have not worded it properly but I was trying to explain as briefly as I could the reason for the motion. I hope I will have the opportunity to utter another sentence or two. If you will bear with me I will continue for a minute or two.

Some hon. Members: Oh, oh!

Mr. Yewchuk: I was referring to economic nationalism—

Mr. Basford: Who is abusing Parliament now?

Mr. Yewchuk: Quiet, Curly.

Some hon. Members: Oh, oh!

Mr. Yewchuk: The urgency in this matter arises out of the fact that Canadians may be deprived of one of the greatest opportunities to invest in their own country that may present itself in the immediately foreseeable future. I refer to the Mackenzie valley pipeline which is being proposed by the government and the construction of which, according to the government's statements, is to be carried out by foreign interests.

I asked the Minister of Energy, Mines and Resources (Mr. Greene) as well as the Prime Minister (Mr. Trudeau) about the establishment of a mechanism which would allow Canadians to invest in this pipeline. The answer was in the negative on both occasions. I am therefore asking the unanimous consent of the House to move, seconded by the hon. member for Moncton (Mr. Thomas):

That the question of the creation of a mechanism through which Canadians will be given an opportunity to invest in the proposed Mackenzie valley pipeline be referred to the Standing Committee on Indian Affairs and Northern Development for consideration and report.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member, which requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

[Mr. Speaker.]

• (2:30 p.m.)

TARAS SHEVCHENKO—SAINT PATRICK

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, it is coincidental that the month of March is set aside for the observances of two great people, first, to honour Taras Shevchenko, Ukraine's great bard and universally acclaimed champion of freedom. Shevchenko is admired as much for his poetry as he is revered for his undaunted spirit and devotion to freedom, truth and justice. Thousands of Ukrainians, young and old in Canada will take part in special programs and concerts dedicated to the memory of the man most strongly identified with the ideals and aspirations of the Ukrainian people.

It is today, too, that we celebrate St. Patrick's Day, a great day for the Irish and for those who are not Irish but wish to be Irish. With your consent, Mr. Speaker, and with the consent of the House I would like to present a little token of kindness, to match his tie, to "O'Trudeau" from "O'Paproski" from the cockles of me heart.

Some hon. Members: Hear, hear!

Mr. Hees: Put it on.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The presentation having been made and the hat worn I should like to suggest to hon. members that there must be some Standing Order which is being offended either by the hon. member presenting the hat or the right hon. gentleman wearing it at this time.

Mr. Hees: You are allowed to wear it. The rules of the House say you are allowed to wear it.

Mr. Paproski: Mr. Speaker, I believe that under the Standing Orders there is still room for a hat in this House.

Mr. Speaker: Order, please.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*AIR CANADA—FREE TRAVEL FOR PERSONNEL

Question No. 719—**Mr. Orlikow:**

In view of Air Canada's desire to economize wherever possible and to run the system as efficiently as possible, did Air Canada recently decide that employees and their wives in certain management levels may now travel as free riders on a confirmed reservation basis even though the seats they occupy may be needed for fare paying passengers and, if so, for what reason?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the management of Air Canada advises as follows: At the beginning of the year, the Company rearranged its pass procedures slightly, to provide more efficient arrangements for movement of company personnel travelling on business, including in certain cases, right to make a reservation in economy, subject, however, to deplanement if the space is needed for a revenue passenger. No substantial change was made in regard to the position of senior management in this respect, other than the development of a new built-in identification code to assist local agents in determining company personnel for deplanement if space is needed for revenue passengers.

[*English*]

SNOWMOBILE NOISE POLLUTION CONTROLS

Question No. 803—**Mr. Hales:**

Is the government presently considering adoption of noise pollution controls, other than those for snowmobiles mentioned on January 19, 1971, at page 2538 of *Hansard* and, if so, for each set of controls (a) what is the purpose of the controls (b) what department is involved in drafting the controls (c) when are the controls expected to be announced?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The government is considering safety standards to establish maximum noise levels in vehicles such as buses and trucks. (a) The purpose of this noise standard will be to protect drivers, passengers and people in the proximity of roadways from health impairment due to noise pollution. (b) The Road and Motor Vehicle Traffic Safety Branch of the Department of Transport is drafting amendments to the Motor Vehicle Safety Regulations with the assistance of the Department of Justice. (c) Regulations in the United Kingdom and California and those of the Economic Commission for Europe are presently being reviewed. It is too early to estimate when they might be issued because of serious implications related to the power to weight ratio and safety on the road.

PUBLIC SERVICE—UNIFORMED OFFICERS

Question No. 834—**Mr. Mather:**

Are there any uniformed officers in the Public Service whose responsibilities encompass the enforcement and/or administration of a variety of laws or regulations similar to the responsibilities of Customs Officers but excluding Royal Canadian Mounted Police and, if so (a) who are such officers (b) what laws or regulations fall within the scope of their activities?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed as follows: Yes. The Department of Agriculture: (a) Officers of the Plant Protection Division are located at Port aux Basques, Newfoundland. (b) Destructive Insect and Pest Act.

Note: Officers of the Health of Animals Branch are located at the Ports of Halifax, Saint John, Montreal and Vancouver. While they are not in the full meaning of the term "uniformed officers", they customarily wear a uniform cap when performing their duties. Their responsibilities in enforcement and administration of the Animal Contagious Diseases Regulations, and the Meat Inspection Regulations with regard to restricted commodities entering the country bear some similarity to the responsibility of Customs Officers.

The Department of Fisheries and Forestry: (a) Fishery Officers; Fishery Wardens; Ship's Officers in the marine service of the Department. (b) Fisheries Act and Regulations; Northwest Atlantic Fisheries Convention Act; North Pacific Halibut Fishery Convention Act; North Pacific Fisheries Convention Act; Fish Inspection Act and Regulations; Coastal Fisheries Protection Act; Whaling Convention Act; Territorial Sea Fishing Zones Act; Pacific Fur Seals Convention Act; Pacific Salmon Fisheries Convention Act; Navigable Waters Protection Act.

The Department of Manpower and Immigration: (a) Immigration Officers at Ports of Entry; (b) Immigration Act and Regulations.

HARBOUR FACILITIES

Question No. 855—**Mr. Blouin:**

Since 1967, how much money has the government spent on new harbour facilities and improvements of existing wharves, including the building of sheds and related facilities in (a) Montreal (b) Quebec City (c) St. John (d) Halifax (e) Vancouver (f) Baie Comeau (g) Sept-Îles?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): The Department of Public Works advises as follows: (a) Montreal, nil; (b) Quebec City, nil; (c) Saint John (Ferry), $4,866,269.30 by Ministry of Transport funds; Main Channel, $159,878; (d) Halifax, Quay Wall, $439,690 by D.N.D. funds; (e) Vancouver—First Narrows, $2,575,402; (f) Baie Comeau, $289,709; (g) Sept-Iles, $304,848. The National Harbours Board advises as follows: (a) $9,283,619; (b) $7,475,100; (c) $2,071,368; (d) $13,764,831; (e) $13,951,221. The Department of Transport advises as follows: (f) $289,709; (g) $304,898.

COMMERCIAL VALUE OF STORED BUTTER

Question No. 871—**Mr. Lambert (Bellechasse):** (Supplementary)

What was the commercial value of stored butter on (a) January 31, 1970 (b) January 31, 1971?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): According to Dominion Bureau of Statistics' figures, creamery butter in storage on: (a) January 31, 1970 totalled 83,351,000 pounds; (b) January 31, 1971 totalled 81,745,000 pounds. The commercial value of creamery butter in both 1970 and 1971 was the support price of butter by the Canadian Dairy Commission—65 cents per pound. The commercial value of stored butter on: (a) January 31, 1970 amounted to $54,178,150; (b) January 31, 1971 amounted to $53,134,250.

Questions

[*English*]

DEPARTMENT OF MANPOWER AND IMMIGRATION—DESIGNATION OF SUPPLEMENTARY ESTIMATES

Question No. 947—**Mr. Robinson:**

What percentage of the supplementary estimates of the Department of Manpower and Immigration is designated for (a) winter works (b) to reduce unemployment (c) underestimating expenditures (d) combatting inflationary costs (e) new programs (f) hiring of additional employees?

Hon. Otto E. Lang (Minister of Manpower and Immigration): (a) Nil; (b) (i) 19.7 per cent to augment the Canada Manpower Training Program; (ii) 79.9 per cent for accelerated payments for capital assistance in the provision of training facilities; (c) nil; (d) nil; (e) nil; (f) .4 per cent.

OPERATION LIFT—AERIAL SURVEY WORK

Question No. 1,002—**Mr. Thomson:**

1. What are the names and addresses of all companies or individual fliers who were engaged in aerial survey work under Operation Lift?

2. What amounts were paid to each individual or company concerned?

3. Was this work done under contract and, if not, on what basis?

Hon. H. A. Olson (Minister of Agriculture): 1. Lockwood Survey Corp. Ltd., 1450 O'Connor Drive, Toronto 16, Ontario; Northwest Survey Corp. Ltd., 12918—127th Street, Edmonton 44, Alberta; Range Aerial Surveys Ltd., Building #18, McCall Field, Calgary, Alberta; and Spartan-Aero Ltd., 380 Hunt Club Road, Ottawa, Ontario.

2. Flying and Standby Charges: Lockwood Survey Corp. Ltd., $27,999; Northwest Survey Corp. Ltd., $56,389; Range Aerial Surveys Ltd., $30,355; Spartan-Aero Ltd., $71,943.11. Print production, negative processing and enlarging from the "Lift" photography: Spartan-Aero Ltd., $149,973.

3. Yes. Due to the magnitude of the project, Spartan-Aero Ltd. presented a proposal whereby they acted as the Prime Contractor and utilized other air survey companies in Canada to assist in performing the work required.

YUKON TERRITORY—TIMBER BERTHS

Question No. 1,008—**Mr. Nielsen:**

1. What persons, firms or corporations now hold timber berths in the Yukon Territory?

2. Upon what date was each such timber berth granted to each such person, firm or corporation and in each instance, what is the total area covered by the timber berth?

3. Was the grant of each such timber berth in writing or made the subject-matter of an agreement between the holder thereof and the government and, if so, what are the provisions, conditions and terms upon which each such timber berth is held?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) Acorn Timber Limited; (b) B.C. Yukon Forest Products Limited; (c) Watson Lake Lumber Limited; (d) Timberline Development Services Limited.

[Mr. Howard.]

2. (a) Acorn Timber Limited, established January 1, 1969, covering 40 square miles on the Pelly and Macmillan Rivers. (b) B.C. Yukon Forest Products Limited, established April 1, 1969, covering 10 square miles on the Liard River. (c) Watson Lake Lumber Limited, established November 1, 1968, covering 10 square miles on the Liard and Hyland Rivers. (d) Timberline Development Services Limited, established January 1, 1969, covering 20 square miles on the Nisutlin River.

3. Each of the above timber berths was granted under the terms of a formal timber management agreement based on an estimated annual production of 10 million board feet. Each agreement is for an initial period of 10 years, with provision for renewal for a further 10 years. The agreements call for the establishment of wood processing facilities within two years of the agreement date and each company must produce an average of three million board feet per year during the first five years. Each of the agreements is still in effect. All four companies have established the mechanical capability for wood processing, as required in the agreements. In subsequent years, production must not be less than three million board feet per year. Failure to reach this minimum production may result in reduction of the timber management area. Stumpage has been set initially at $2.50 per thousand board feet, with provision for adjustment after five years. Annual occupation and fire protection fee is $15.80 per square mile. The agreements specify wood utilization standards and there is also provision requiring approval of annual operating plans. Copies of the agreements may be seen at either the District office in which the timber berth is situated, or at the headquarter's office in Whitehorse.

GRANTING OF SCHOLARSHIPS FOR DEVELOPMENT OF NATURAL PARKS

Question No. 1,028—**Mr. Lambert (Edmonton West):**

1. What will be the selection criteria for the granting of scholarships for the planning and development of natural parks and recreation areas announced on January 25, 1971, by the Department of Indian Affairs and Northern Development?

2. Will consideration be given to geographical factors and to language?

3. Who will be the members of the selection panel and what are their qualifications?

4. Will the recipient of the scholarship have to commit himself to work for a set number of years?

5. What have been the honours subjects of the participants in the scholarship program since its inception?

6. Will this program give equal consideration to all Canadian universities and on what criteria will the courses offered in the various universities be judged?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Canadian citizenship; successful completion of undergraduate degree; high academic standing; graduate work to be taken at Canadian university; course outline related to the planning and management of natural parks and outdoor recreation areas; written support of university professors.

2. No, but in the past successful candidates have been widely distributed geographically and from both official language groups.

3. Chairman, Mr. J. I. Nicol, Director of National and Historic Parks Branch; engineering background; Public Service since 1945; National and Historic Parks Branch since 1963. Mr. H. K. Eidsvik, Chief of National Parks Planning; M.Sc., Forestry; with National and Historic Parks Branch since 1959. Mr. P. DesMeules, National Resource Adviser; M.Sc., Wildlife Biology; government service with the Province of Quebec, Department of Tourism, Fish and Game and Canadian International Development Agency since 1960; with National and Historic Parks Branch since 1970. Secretary, Mr. A. C. Holden, Branch Personnel Adviser; B.A.; in personnel work since 1945; with National and Historic Parks Branch since 1967.

4. No, the recipient of a scholarship is not required to commit himself to work in the National and Historic Parks Branch.

5. Biology; boreal ecology; ecology; forestry; geography; marine and pleistocene geology; park planning and management; parks and outdoor recreation; research management and urban studies; research methodology; urbanism and land development.

6. The program gives equal consideration to all Canadian universities which offer courses relating to National Parks management and outdoor recreation. Course content is reviewed only in relation to the emphasis noted above.

ABOLITION OF SALES TAX ON MARGARINE

Question No. 1,035—**Mr. Mather:**

Have representations been received urging the abolition of the sales tax on margarine and, if so, what consideration is being given to such representation?

Hon. E. J. Benson (Minister of Finance): Yes. If the Government should decide to propose an amendment to the Excise Tax Act to exempt margarine from sales tax it would be announced at the appropriate time.

TENDERS FOR NEWFOUNDLAND PROJECTS

Question No. 1,036—**Mr. McGrath:**

Under existing agreements between the Government of Newfoundland and the Department of Regional Economic Expansion, on what date was approval given and authorization for the calling of tenders for (a) construction of an elementary school, Happy Valley (b) construction of a high school, Marystown (c) industrial water supply system, Stephenville (d) extension to district vocational school, Conception Bay South (e) construction of an elementary school, Grand Bank (f) extension to district vocational school, Burin (g) extension to district vocational school, Gander (h) construction of an elementary school, Creston (Salt Pond) (i) construction of a junior high school, St. John's East?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): (a) and (b) Final design not completed. (d) and (f) February 12, 1971; (e) and (h) February 17, 1971; (c), (g) and (i) February 24, 1971.

Questions

ESTABLISHMENT OF CANADA LAND INVENTORY PROGRAM

Question No. 1,039—**Mr. Southam:**

1. What progress has been made in the plan to establish a Canada Land Inventory Program as set out by ARDA in 1965?

2. Is it designed to establish a soil capability classification for all provinces?

3. Does this program include a use capability classification for organic soils?

4. Are plans under way to develop any further soil capability classification systems?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. This program was completed in Prince Edward Island in 1968-69, and in Nova Scotia and New Brunswick in 1970-71. It will be completed in Ontario, Manitoba, Saskatchewan and Alberta in 1971-72, in Quebec in 1972-73, and in British Columbia in 1974-75.

2. Yes.

3. Yes, except in the case of soil capability for agriculture.

4. No.

MARGARINE—ABOLITION OF SALES TAX AND COLOUR RESTRICTIONS

Question No. 1,040—**Mr. Southam:**

1. Is it the intention of the government to remove the 12 per cent sales tax on margarine?

2. By province, what is the sales tax presently in effect?

3. Is it the intention of the government to consult with provincial departments to eliminate colour restrictions, presently affecting margarine?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Finance and the Department of Agriculture as follows: 1. This is a matter of government policy. If it should be decided to propose an amendment to the Excise Tax Act to exempt margarine from sales tax it would be announced at the appropriate time.

2. In nine provinces, the general rate of sales tax of 12 per cent applies to margarine. Margarine for consumption in the Province of Newfoundland is exempt.

3. No. The regulation of the control of colouring in margarine is entirely within the jurisdiction of the individual provinces.

CANADIAN ARMED FORCES DISABILITY PLAN

Question No. 1,047—**Mr. Forrestall:**

1. How does the Canadian Armed Forces Disability Plan compare with that of the Public Service D 1 plan as to (a) premium costs (b) benefits?

2. Are there any plans to incorporate servicemen into D 1 plan?

Hon. Donald S. Macdonald (Minister of National Defence): 1 and 2. Apart from the benefits which might be received from the Pension Act as a result of injury or disease or aggravation thereof directly connected with military service, there is no Canadian Armed Forces Disability Plan per se. Voluntary coverage has

been made available to servicemen as part of a total package plan sponsored by the Armed Forces called the Servicemen's Income Security Insurance Plan. Deliberations have commenced to obtain recognition of the Armed Forces sponsored plan as an official plan for the servicemen in a similar way that the Public Service D 1 plan is now recognized as the official plan providing Disability Insurance for the Public Service.

CANADIAN ARMED FORCES—ENLISTMENTS

Question No. 1,055—**Mr. Forrestall:**

Has there been a recent increase in enlistments in CAF and, if so, does the government expect this trend to continue?

Hon. Donald S. Macdonald (Minister of National Defence): Attention is drawn to part 3 of reply to your Question 977, appearing in *Hansard,* March 8, 1971, page 4035. Monthly enrolments in the Canadian Forces during 1970-71 have met requirements for the current fiscal year. As the requirement for 1971-72 is less, it is anticipated that the quotas for the limited number of trades open to enrolment will be met. The ratio of applicants to the number of vacancies is about 4.5 to 1.

DEPARTMENT OF NATIONAL REVENUE—INCOME DERIVED FROM COMPUTER SERVICES

Question No. 1,061—**Mr. Robinson:**

What income, if any, is derived from the computer services provided by the Department of National Revenue (a) from other departments (b) from sale or services to industry (c) to provincial government departments (d) to municipalities?

Hon. Herb Gray (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: (a) $29,824.23 for 12 month period January 1 to December 31, 1970; (b) nil, for same period; (c) $333.75 for same period; (d) nil, for same period.

ATLANTIC SEAL HUNT—LETTERS OF PROTEST

Question No. 1,064—**Mr. St. Pierre:**

1. How many letters of protest against seal hunting were received by the Department of Fisheries and Forestry up to December 31, 1970 (a) how many were from Canadians (b) what were the numbers from each province (c) how many were from foreign countries (d) what were the number from the various countries?

2. What was the Department's response?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): 1. 10,381. (a) 699; (b) British Columbia, 412; Alberta, 14; Saskatchewan, 8; Manitoba, 10; Ontario, 196; Quebec, 51; New Brunswick, —; Nova Scotia, 5; Prince Edward Island, —; Newfoundland, 3; Yukon, —; Northwest Territories, —; (c) 9,682; (d) United States of America, 7,639; United Kingdom, 1,042; France, 368; West Germany, 76; Holland, 156; Belgium, 23; Switzerland, 42; Italy, 3; Other, 333.

2. A personal letter from the Minister of Fisheries and Forestry, Hon. Jack Davis, attaching an information leaflet entitled "The Atlantic Seal Hunt".

CANADIAN ARMED FORCES—EQUATION BETWEEN PAY OF SENIOR OFFICERS AND THAT OF PUBLIC SERVICE EMPLOYEES

Question No. 1,069—**Mr. Forrestall:**

Was an equation made between the pay of senior officers in the Armed Forces and that of the Public Service and, if so, what were the criteria?

Hon. Donald S. Macdonald (Minister of National Defence): Yes, after detailed analysis, the Joint Treasury Board-Department of National Defence Advisory Group on Military Compensation recommended that the rates of pay of general officers be equated to those received by the Senior Executive Category within the Public Service.

DEPARTMENT OF VETERANS AFFAIRS—INCOME DERIVED FROM COMPUTER SERVICES

Question No. 1,073—**Mr. Robinson:**

What income, if any, is derived from the computer services provided by the Department of Veterans Affairs (a) from other departments (b) from sale or services to industry (c) to provincial government departments (d) to municipalities?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): None.

FARM CREDIT CORPORATION—APPLICATIONS RECEIVED FROM P.E.I.

Question No. 1,082—**Mr. McQuaid:**

1. During each year 1968, 1969 and 1970 (a) how many applications were received from the Province of Prince Edward Island for loans from the Farm Credit Corporation (b) how many applications were approved (c) what was the total amount disbursed each year by way of loans (d) what was the smallest loan approved and what was the largest?

2. How many loans, made to residents of the Province of Prince Edward Island under the Canadian Farm Loan Board or the Farm Credit Corporation, are now in arrears of principal, interest or both and what is the total amount presently in arrears?

3. Since January 1, 1968, how many foreclosures have there been under the terms of the mortgages?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises as follows:
1.

	Fiscal Year 1967-68	Fiscal Year 1968-69	Fiscal Year 1969-70	1/4/70-31/1/71
(a) No. of applications received	147	164	91	66
(b) No. of applications approved	120	112	67	57
(c) Total amount disbursed	$2,249,423	$2,311,181	$2,090,254	$1,677,535
(d) Smallest loan approved	$ 3,700	$ 4,600	$ 7,200	$ 4,100
Largest loan approved	$ 48,000	$ 79,400	$ 100,000	$ 90,000

2. On March 1, 1971, there were 251 loan accounts in arrears for a total amount of $174,546.72.

3. The Corporation enforces its mortgages in Prince Edward Island by exercising the power of sale contained in the mortgage. In the period January 1, 1968 to January 1, 1971, the Corporation sold three farm securities under power of sale.

SUBSIDY QUOTAS HELD BY INDUSTRIAL MILK PRODUCERS

Question No. 1,093—**Mr. Lambert (Bellechasse):**

On February 8 (a) 1970 (b) 1971, how many industrial milk producers held a subsidy quota from the Canadian Dairy Commission?

Hon. H. A. Olson (Minister of Agriculture): Data on the total number of producers holding subsidy quotas is available only as at April 1 each year. On April 1, 1970 subsidy quotas were held by 88,474 industrial milk and cream shippers. The number on April 1, 1969 was 98,346.

DAIRY PRODUCTS HELD IN STORAGE

Question No. 1,094—**Mr. Lambert (Bellechasse):**

On February 8, 1971, what quantities of the following dairy products did the Canadian Dairy Commission have in storage of (a) butter (b) powdered milk (c) cheese (d) any other product?

Hon. H. A. Olson (Minister of Agriculture): (a) Butter, 62,974,255 lbs.; (b) dry Skim Milk, 42,118,703 lbs.; (c) cheese, 648,084 lbs.; (d) any other product, nil.

SUBSIDY QUOTAS GRANTED TO PRODUCERS OF INDUSTRIAL MILK

Question No. 1,096—**Mr. Lambert (Bellechasse):**

As of February 8, (a) 1970 (b) 1971, what was the total subsidy quotas granted by the Canadian Dairy Commission to the producers of industrial milk in Canada?

Hon. H. A. Olson (Minister of Agriculture): Data on the total amount of subsidy quota is available only as at April 1 each year. On April 1, 1970 the total of subsidy quotas to industrial milk and cream shippers was 297,159,859 lbs. of butterfat. The total on April 1, 1969 was 314,207,727 lbs.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL FINANCIAL GRANTS

Question No. 100—**Mrs. MacInnis:**

1. For the period January 1, 1969 to September 30, 1970, what requests for financial grants have been received by the Department of National Health and Welfare and, what grants have been approved?

2. For the same period, what requests for financial grants have been received by the Department of Secretary of State and, what grants have been approved?

3. For the same period, what requests for financial grants have been received by the Central Mortgage and Housing Corporation and, what grants have been approved?

Return tabled.

Motions for Papers

ALBERTA INDIAN RESERVES

Question No. 464—**Mr. Horner:**

1. How much money has the federal government spent, on all types of programs, on Alberta Indian Reserves in the past five years?

2. What were the types of programs involved?

3. What reserves were involved in the programs?

4. What steps are being taken (by the government) to deal with the problems created by the Bennett Dam, specifically with regard to Alberta Indians affected by the depletion of water by the Dam?

5. What programs have been approved, but not yet implemented, that will involve Alberta Indian Reservations (a) what is the dollar value of such programs (b) are any of the programs designed to compensate Indians who have been adversely affected by the Bennett Dam (c) are there any programs planned with regard to improving housing conditions on Alberta Indian Reserves (d) are there any programs planned with the view to improving the long-range economic and social conditions on Alberta Indian Reserves

Return tabled.

PUBLIC SERVICE PERSONNEL

Question No. 631—**Mr. Broadbent:**

1. How many women employed, by department and/or agency, in the latest available year earned less than (a) $6,000 (b) more than $6,000 a year?

2. How many men employed, by department and/or agency, in the latest available year earned (a) less than $6,000 (b) more than $6,000 a year?

3. For each department and/or agency, how many women are ranked in the Senior Officer category?

4. For each department and/or agency, how many men are ranked in the Senior Officer category?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the Production of Papers No. 194 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the House that this motion shall be deemed to have been adopted?

Some hon. Members: Agreed.

CORRESPONDENCE RELATING TO NATIONAL PARK, SHIP HARBOUR, HALIFAX COUNTY

Motion No. 194—**Mr. Forrestall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all proposed plans including the original proposed plans and all

subsequent modifications or changes between the Governments of Canada and the Province of Nova Scotia with respect to the National Park in the Ship Harbour area of Halifax County.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call Notice of Motion No. 199?

COPY OF STUDIES ON TRANSIENT YOUTH

Motion No. 199—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the studies on Transient Youth, undertaken by the Canadian Council of Social Development.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Department of National Health and Welfare advises that the study on transient youth is not a federal government document. This study was carried out by the Canadian Council on Social Development and, therefore, ownership of the study rests with the council. Under these circumstances, the hon. member from Moose Jaw may wish to withdraw his motion.

Mr. Skoberg: I realize that I have the wrong document, Mr. Speaker. There is an internal document which I shall seek shortly.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

Mr. Burton: Mr. Speaker, two weeks ago I asked the parliamentary secretary if he could take action to facilitate Notice of Motion 197 in my name. In view of some of the circumstances surrounding this matter I wonder if the parliamentary secretary can report progress?

Mr. Jerome: I cannot make any comment at this time, Mr. Speaker. I have taken special note of it and we are working on it.

ORAL QUESTION PERIOD

MANPOWER

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—FORECAST OF JOBS IN PRIVATE SECTOR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State with regard to the program entitled "Opportunities for Youth". The Secretary of State is supposed to be here today. He may very well have an excuse but if he has not I would have sought one myself rather than try to explain this program.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: In his absence I would direct the question to the Minister of Manpower and Immigration. The minister has given an estimate of some 600,000 students to be employed in the private sector as against some 730,000 students employed in the private sector last year. I should like to ask the minister how he proposes to make up this difference, especially since there will be substantially more students seeking employment this year than last?

[Mr. Forrestall.]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the Leader of the Opposition is referring to a couple of different sets of figures, and I would have to go into the whole conversation I had with the reporter to explain to him.

An hon. Member: Don't be shy.

Mr. Stanfield: Mr. Speaker, will the Minister of Manpower and Immigration give his forecast of the number of students who in his estimation will be employed by the private sector during the coming vacation season?

Mr. Lang: Mr. Speaker, the conversation was about the mathematics applied to last year's figures as that would lead to certain mathematical conclusions this year. I will be glad to supply a scratch sheet with that information on it for the Leader of the Opposition.

Mr. Stanfield: I did not ask the minister about any conversation he had outside the House, Mr. Speaker. I ask the minister again for his forecast as to the employment of students in the private sector this year. This is no joke, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Lang: I was only trying to refer to the difficulty of starting a question with figures that do not themselves have any basis in fact.

An hon. Member: You are used to that.

Mr. Lang: It is not possible to make any very precise calculations on matters like this which depend upon so many variables that have to be taken into consideration. Therefore there is no precise forecast. All one can do is to take the situation for one or two previous years, compare the situation this year and try to weigh the variables and reach a conclusion based on those factors.

Mr. Stanfield: I might ask the minister whether he will agree with me that the prospects for students under this program are very grim indeed?

Mr. Speaker: Order, please. The hon. member's supplementary is obviously argumentative.

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—CRITERIA FOR JUDGING APPLICATIONS UNDER OPPORTUNITIES FOR YOUTH SCHEME

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Secretary of State can the Minister of Manpower and Immigration tell us whether the criteria which will be employed in judging grant applications under the opportunities for youth scheme will be made public in the near future?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would expect so.

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—CRITERIA FOR OVERSEAS JOBS FOR POST-SECONDARY STUDENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration. Will the 3,200 overseas jobs that are being provided by his department for post-secondary students be made available according to need as well as language skills?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this is a program which has resulted from negotiations with a number of countries. The procedure for final selection rests in the hands of the host countries. I am not certain that in every case need will be taken into consideration.

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—REDUCTION OF TUITION FEES, MORATORIUM ON REPAYMENT OF STUDENT LOANS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In light of the fact that tens of thousands of students will get less than eight weeks of work this summer, is the government considering assisting the provinces in reducing tuition fees?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House knows, under our assistance to the provinces for post-secondary education we are paying 50 per cent of the costs. We are not in a position, of course, to decide for the provinces whether they will have a different set of term systems than they now have.

Mr. Carter: Is the government going to introduce amendments to the student loan legislation and declare a moratorium on the repayment of such loans?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, may I answer this question. The provinces meet with the federal government each year to discuss the terms of the student loan program. Also, there are provisions within the student loan program to make such postponement if postponement is necessary.

[*Translation*]

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—DISCUSSIONS WITH PROVINCES

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question I wish to direct to the Prime Minister.

Would he tell us whether he intends to open discussions with provincial government officials for the purpose of achieving a global solution to the summer student employment problem so that the federal and provincial governments may join forces, efforts and resources and settle this matter once and for all?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will point out the fact that such consultations were held during the weeks which preceded the announcement by the federal government. The Secretary of State is at present in one of the provincial capitals for the purpose of discussing the implementation of these measures.

It is obvious that we cannot do much more than consult with the provinces since, as the hon. member knows well, in this field of education we have no powers whatsoever to reorganize the academic year in such a way that students would study the whole year round instead of coming out every summer and invading the labour market for three or four months.

[*English*]

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—ASSISTANCE FOR MARRIED STUDENTS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, may I direct a supplementary question to the Prime Minister. With reference to the right hon. gentleman's announcement yesterday concerning the program of student employment and activities, may I ask whether the government intends to initiate programs for married students which will provide income and adequate savings so they may resume their studies in the fall?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are not envisaging at this time making any announcements additional to the ones we made yesterday.

Mr. Muir: I realize that the right hon. gentleman's experience as far as marital responsibilities are concerned is quite limited, but would he not agree that some action should be taken to assist married students who would like to return to their studies in the fall and who have the added expense of a wife?

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—INCENTIVES TO PRIVATE INDUSTRY

Mr. John Gilbert (Broadview): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Since, in the final analysis, private industry will be the big employer of students in the summer, is the Prime Minister considering any special tax incentives to private industry to encourage the employment of such students?

Some hon. Members: Hear, hear!

Mr. Gilbert: Mr. Speaker, I do not think the Prime Minister heard my question.

Mr. Stanfield: Yes, he did, but he is not considering it.

Right Hon. P. E. Trudeau (Prime Minister): I heard it, Mr. Speaker, and the answer is no.

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—SUGGESTED REPEGGING OF DOLLAR TO ASSIST FOREST INDUSTRY TO PROVIDE JOBS

Mr. Stan Schumacher (Palliser): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In order to assist the forest industry to hire more students this summer, is the government going to repeg the Canadian dollar at a level consistent with expanding the exports of that industry?

Inquiries of the Ministry

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—REFUSAL OF GRANT TO McGILL STUDENT ENTREPRENEURIAL AGENCY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration. In view of the non-program announced yesterday by the government, can the minister explain why he refused a grant of money to the McGill Student Entrepreneurial Agency Incorporated, a non-profit, self-help organization which over the past two years has provided or found jobs for over 500 students?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, basically and specifically, because the program was not eligible for grants. Of course, if any of the programs of this organization are eligible for support under the job opportunities program, it can apply in connection with those projects.

Mr. Lundrigan: May I ask why the program was not forwarded to the Secretary of State for his consideration?

Mr. Lang: Mr. Speaker, I am sure that the applicants can submit their own direct applications. The application which we were considering was probably not one of those that was suitable for the program. In any case, it would be parts of projects upon which they might be working which might be more eligible.

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—DEADLINE FOR APPLICATIONS UNDER INTERNATIONAL EXCHANGE PROGRAM

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I divert a supplementary question to the Minister of Manpower and Immigration. I also seek clarification of a point in the minister's news release yesterday on the international student summer employment exchange program between Canada and some ten other countries. On page 2 of appendix B there is the statement that students may apply at any Canada Manpower Centre prior to March 31, 1971, which is only 13 or 14 days from now. It says that they may apply. Does it mean they must apply before that date? Is there a deadline for applications under this program?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Their applications are to be in by that date. The posters have been up for some days in all universities and in other places all across the country, and early applications are requested.

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

Mr. Speaker: Order, please. I notice that there are five or six hon. members who wish to ask supplementaries about this matter. I suggest to hon. members that very soon we should change the subject. For the moment the hon. member for Fraser Valley West has the floor.

Mr. Rose: Mr. Speaker, I would ask the minister to reconsider because two weeks is hardly sufficient time for people to make their plans and apply for this kind of program.

[Mr. Schumacher.]

Mr. Speaker: Order, please. The hon. member's supplementary is in the form of a representation.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration arising out of the questions regarding aid for students. Will there be any provision for aid to their worthy contemporaries, the thousands of unemployed and unskilled young people who are not in school or college?

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—AVAILABILITY TO PERSONS IN REMOTE COMMUNITIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the fact that the youth programs announced by the Prime Minister will be more easily available to young persons in large cities and in the central region of Canada, will he consider the referral of the subject to a standing committee so that the ministers and staffs involved can appear to define clearly the various aspects of the program in order that all Canadians, especially those in remote and isolated communities, will be able to take advantage of those programs that have been previously denied to them and thereby enjoy equal opportunity?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will consider if anything can be done along this line.

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—JOBS AVAILABLE IN PUBLIC SERVICE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, may I direct a supplementary question to the President of the Treasury Board who reports to the House for the Public Service Commission. I should like to know approximately how many vacancies will exist in the Public Service for students this summer and what proportion of these will be in the national capital region?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do not have those figures at hand but I will obtain them for the hon. member.

• (2:50 p.m.)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the Prime Minister—

Mr. Speaker: Order. I apologize to the hon. member. There is apparently a new and last supplementary question on a certain subject, and I will soon recognize the hon. member for Témiscamingue.

[*English*]

Mr. William Skoreyko (Edmonton East): I have a supplementary for the President of the Treasury Board. I should like to ask the minister whether students, particu-

larly those coming from western Canada, who wish to work in the Public Service of Canada in the national capital, will be at any disadvantage if they are not bilingual?

Mr. Drury: The answer, quite unequivocally, is no.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, here is the question I want to put to the Prime Minister.

Since journalists and commentators, who know practically everything, have been telling us for close to a month that there will be a general election this autumn in Canada, can the Prime Minister confirm or deny those rumours?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not at this time in a position to give a specific reply. I must, however, say that the rumour, as far as I know, comes primarily from opposition members seeking in this way to justify their dilatory tactics in parliamentary debates. (*Applause*)

* * *

[*English*]

EXTERNAL AFFAIRS

CANADIAN POSITION ON APPEAL FOR PEACE IN LAOS BY INTERNATIONAL CONTROL COMMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): My question is for the Prime Minister. It arises out of reports that the representative of India on the International Control Commission has invited the Polish and the Canadian representatives to join in a public appeal for peace in Laos and that the Polish representative has agreed but the Canadian government has rejected the invitation. Has Canada rejected an invitation to participate in this appeal and, if so, why?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, Canada has not rejected the proposal, simply because it has not yet been formally submitted to the Commission.

[*English*]

Mr. Douglas: May I ask the parliamentary secretary whether an invitation has been received and whether the Canadian government has indicated it is prepared to join in this appeal for peace in Laos? How soon may we expect some statement in view of the fact that the press reports which have gone around the world indicate that Canada is the only member of the Control Commission which has not agreed to join this appeal?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I should like to remind the hon. member that Canada has already made known its

position. Canada had made a concrete proposal. Now, the representatives of India have put forward another proposal. The Canadian government feels that it has some merits, but that it cannot replace the action which the International Control Commission may take, and which might be much more efficient than the suggestion of India.

[*English*]

Mr. Douglas: I am quite aware of the proposal which the Canadian government made. I am still asking why Canada has not joined with India and Poland in a public appeal for peace in Laos. The fact that the Canadian proposal has not been adopted is not the question at issue. I am asking the parliamentary secretary a direct question: why has Canada not joined with the other two members of the International Control Commission in supporting a public appeal for peace in Laos?

[*Translation*]

Mr. Ouellet: Mr. Speaker, the hon. member should know that, quite a long time ago already, Canada has clearly stated its views in favour of peace in that part of the world.

* * *

[*English*]

RESEARCH

MEASURES TO OFFSET LACK OF GROWTH

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister, Mr. Speaker. Having regard to the statement by the chairman of the Science Council of Canada that research and development have not grown in Canada for two years and may be headed for a sharp decline in 1971, is the government planning to adopt measures in the near future to correct this situation so that production, which generates employment and depends heavily on industrial research for its forward momentum, will not continue to be adversely affected?

Right Hon. P. E. Trudeau (Prime Minister): I believe the reference by the chairman of the Science Council was to research in industry. As the hon. member knows, the government is presently trying to reorganize itself in a way which will enable it to deal with this subject more comprehensively. As soon as the House sees fit to pass the government reorganization bill we shall consider the appointment of a minister to deal with science matters.

Mr. Hees: In view of the fact that no new laboratories have been opened in the past two years, while six have closed down, will the Prime Minister personally interest himself in this vitally important matter since it is something which can influence the production of jobs very effectively in the future?

Mr. Trudeau: I think the hon. member will agree that if we had a minister who could devote his whole time to this subject it would be even preferable to my showing a special interest in it. This is why I appeal to the opposi-

tion to facilitate the passage of the government reorganization bill.

Some hon. Member: Hear, hear!

Mr. Hees: Since the Prime Minister refuses to look into this matter personally—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: —will he take his head out of the sand—

* * *

GOVERNMENT ORGANIZATION

PROPOSED MINISTRIES OF STATE

Mr. Robert McCleave (Halifax-East Hants): I have a question for the Prime Minister arising from the fact that we now have some indication of what the right hon. gentleman would propose. Will he undertake to tell us, when the appropriate stage of the reorganization bill is reached in committee of the whole House, what other ministries of state, in addition to science, he proposes to set up in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Indication has already been given that we would wish to have a minister of state designated for the purpose of looking at housing and urban affairs. That is one other area. We have also indicated that through this bill we would be able to appoint a minister responsible for the whole sphere of the environment. That is another area. I do not know whether the hon. member wants me to spell out in advance what ministers without portfolio or ministers of state would be assigned to various fields, but obviously I cannot foretell which areas might have to be covered by special ministers in the future. I have just mentioned two and it seems to me this clearly indicates the urgency attached to the passing of this bill by the House.

Mr. McCleave: My question to the Prime Minister was concerned with the setting up of ministries which would be assigned specific responsibilities. Provision for the establishment of a ministry of the environment is already set out in the legislation.

Mr. Baldwin: Would the Prime Minister consider appointing a minister of state for unemployment?

* * *

CITIZENSHIP

REQUEST FOR REPORT ON CHARGES BY ALEX BANDY OF FALSEHOOD, DECEPTION AND INEFFICIENCY

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister without Portfolio in charge of citizenship. Would the minister make a full report to the House on motions in connection with the charges of falsehood, deception and inefficiency in the citizenship branch made by its employee, Mr. Alex Bandy of Vancouver?

[Mr. Trudeau.]

Hon. Robert Stanbury (Minister without Portfolio): The hon. member will have an opportunity to discuss this matter in the committee in the course of the examination of the estimates of the citizenship branch. In the meantime, I can only say we have taken the advice of Mr. Bandy as to the worth of his services.

Mrs. MacInnis: Can the minister assure the House that citizenship participation in his department means more than just low-income citizenship groups being analysed—

Mr. Speaker: Order, please.

[*Later:*]

REQUEST FOR TABLING OF ALLEGED REPORT PREPARED BY ALEX BANDY

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the minister whether he will table in the House the report which the parliamentary secretary stated Mr. Bandy was being retained to complete?

Hon. Robert Stanbury (Minister without Portfolio): I am not sure to what report the hon. gentleman is referring. It was explained in the House that he was gathering documentation on poverty groups in British Columbia. If the hon. gentleman would like to attend the committee examining the estimates I would be glad to respond to questions on that subject.

Mr. Stanfield: The parliamentary secretary stated in the House that this gentleman was being kept on until he had completed his report. I am asking the minister whether he is prepared to table the report which the gentleman in question says he was never asked to write?

Mr. Stanbury: Mr. Speaker, I will have to check into exactly what form the report took, but I would be glad to consider that.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. The minister said that the government had taken Mr. Bandy's estimate of his worth at its face value. Is he also prepared to take Mr. Bandy's word as to the worth of the department and the waste of public money?

Mr. Speaker: Order, please.

INQUIRY AS TO ELIMINATION OF OATH AND SWEARING OF ALLEGIANCE

Mr. R. N. Thompson (Red Deer): I would ask the minister to tell us, before we deal with the estimates of his department, whether or not a directive has been issued which would basically alter the citizenship court procedure to the extent of eliminating the oath of citizenship and the swearing of allegiance to the Crown?

Hon. Robert Stanbury (Minister with Portfolio): No, Mr. Speaker.

Inquiries of the Ministry

HEALTH

SHORTAGE OF DOCTORS—DISCUSSIONS WITH PROVINCES ON KEEPING MEDICAL SCHOOLS OPEN ALL YEAR

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. It is a continuing question having to do with the acute shortage of doctors, particularly general practitioners. Can the minister tell the House whether the government is discussing with the provinces the possibility of keeping the medical faculties open all year round, thus allowing for maximum use of equipment while at the same time reducing the length of time required to get a degree in medicine?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I wish to thank the hon. member for Simcoe North for giving me notice of his question. He is aware that this is a matter falling within provincial jurisdiction. Our department would be generally in favour of the concept, and if the hon. member would like to correspond with the provincial ministers on the matter we would welcome it.

Mr. Rynard: I should like to ask the minister whether the federal government will participate by helping to finance any joint program of enrolment of medical students.

Mr. Munro: Mr. Speaker, as the hon. member is aware, under our medicare legislation and the health grants provisions, we are already assisting in this regard. If certain provinces wish to get this type of program under way we would be pleased to consider any ways in which we could help.

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[*Translation*]

MANPOWER

QUEBEC—MEASURES TO ALLEVIATE UNEMPLOYMENT AMONG THOSE UNDER 25

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Considering that 42 per cent of the unemployed in the province of Quebec are under 25 years of age and that nothing is being done to solve this problem, would the minister tell us if special measures will be taken to find work for these young people?

[*English*]

Hon Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, quite a number of the regular measures that the government has taken with regard to the total employment situation, and also the special ones announced in the last couple of days, are weighted in the direction of those parts of the country where unemployment is highest. They should, therefore, be of direct benefit to the groups the hon. member mentions.

OIL

PROPOSED MACKENZIE VALLEY PIPELINE—REQUEST FOR TABLING OF RESEARCH STUDIES—SETTLEMENT OF INDIAN AND ESKIMO LAND CLAIMS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question was to be directed to the Minister of Indian Affairs and Northern Development but he has left the House. Perhaps I could direct it to the Minister of Energy, Mines and Resources, who could take it as notice if he cannot answer it and pass it on to his confrere. In view of the great concern over the ecological impact of the proposed oil pipeline down the Mackenzie River valley, would the minister table all the research studies that have been undertaken on the matter?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I will consider that suggestion. In the very comprehensive debate last Friday, I outlined in great detail the research that had been done by various agencies, both governmental and extragovernmental, as well as in the private sector and by universities, which I thought would be helpful to the House and the country. However, I will consider the suggestion of the hon. member regarding the tabling of the specific studies.

Mr. Dinsdale: I have a supplementary question. Perhaps this could be taken as notice for the attention of the minister of northern affairs. Could the minister give the House an assurance that the land claims of the Indian and Eskimo population of the territories arising from this project, as well as the claims under Treaties 8 and 11, will be settled by negotiation and consultation with these first Canadians as an integral part of the whole project?

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FISHERIES

SWORDFISH—ASSISTANCE TO FISHERMEN BECAUSE OF BAN ON SALE—CLOSURE OF SALTFISH PROCESSSING PLANTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and Forestry. In view of the number of swordfishermen presently unemployed in Atlantic Canada because of the ban on the sale of swordfish to the United States, has the minister decided on a program to assist these fishermen and, if so, when can we expect the details of this program to be announced?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I expect to be receiving the report of a joint federal-provincial task force on this problem next week.

Mr. Crouse: Since the shortage of codfish has brought about the closing of two large saltfish processors in Nova Scotia, has the minister investigated alternative programs which may be implemented to utilize the facilities in these two large plants, thereby alleviating some of the unemployment that their closing has created?

Mr. Davis: No, Mr. Speaker.

Inquiries of the Ministry

FINANCE

GOVERNMENT ACTION TO ASSIST IN STABILIZING SILVER PRICES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Minister of Finance a question. In view of the request made recently by Mexico and Peru for Canada's help in stabilizing world silver prices, has Canada replied to this request and what action does the government intend to take to help achieve more reasonable prices for silver producers in Canada?

Hon. E. J. Benson (Minister of Finance): May I please take this question as notice, Mr. Speaker.

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CAPE BRETON DEVELOPMENT CORPORATION

NEGOTIATIONS WITH CANADA PENSION PLAN ADMINISTRATION RESPECTING RETIREMENT SCHEME

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Have there been any negotiations to the minister's knowledge between the authorities of the Canada Pension Plan and the crown company Devco with respect to the phase-in, phase-out retirement scheme that they have adopted?

Hon. John C. Munro (Minister of National Health and Welfare): Not to my knowledge, Mr. Speaker, but in any event the Canada Pension Plan would apply to these men if they have been making contributions. Any other private arrangements that they have would be strictly their own private concern.

Mr. MacInnis: Mr. Speaker, I did not want the minister to try to interpret what is going on. Since the Canada Pension Plan has been promoted as a universal scheme, I ask the minister the direct question: Does he feel that and Crown company, or any company for that matter, can fool around with the Canada Pension Plan which is available to all wage earners in Canada?

Mr. Speaker: Order. The hon. member is asking the minister to express an opinion.

* * *

FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS—COMPLAINT UNDER ANTI-COMBINES LAW

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. Has the minister's attention been drawn to a complaint under section 32 of the anti-combines legislation by six people who have complained that the charges of the banks on cheques are in contravention of that section? Will the minister see that this complaint is expedited by the Restrictive Trade Practices Commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was told that six people were intending to lodge such a complaint. Whether or not it has been received, I have not yet had notice of it. However, as I pointed out in the House the other day such action by the banks is not covered, as I understand the law, by the Combines Investigation Act.

Mr. Saltsman: Would the minister check to see whether such a complaint has been received and what has been the decision of his advisers on the matter?

Mr. Speaker: Order, please.

Mr. A. D. Hales (Wellington): I have a supplementary question, Mr. Speaker, for the Minister of Consumer and Corporate Affairs. Would the minister ask the chartered banks of Canada to withhold implementing the increase in charges until a decision has been reached?

Mr. Basford: Mr. Speaker, banking services and financial services are not covered, nor are any other services, by the Combines Investigation Act. The Economic Council of Canada recommended that financial services be covered by the Combines Investigation Act, and the banks have been acting in such a way recently, I think, as to probably convince the public that they should be covered.

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

Mr. Speaker: Order. Hon. members will realize that there are only a few minutes left before the expiration of the question period. If there are too many supplementaries to each question, we will run short of time.

Mr. Hales: May I address my supplementary question to the Minister of Finance. Would the minister prevail upon the chartered banks of Canada to withhold this new charge?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, business decisions within the banking system are a matter for the banks, not for the Minister of Finance.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. Would the minister inform the House when the amendments to the Combines Investigation Act, referred to in the Speech from the Throne, will be available to members for study?

Mr. Basford: Mr. Speaker, we have been working very hard on revising the Combines Investigation Act and I hope the amendments will be introduced at the earliest possible moment, as soon as they are ready for introduction.

MANPOWER

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—TYPE OF ORGANIZATION TO PARTICIPATE IN OPPORTUNITIES FOR YOUTH SCHEME

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps the Parliamentary Secretary to the Secretary of State might be able to answer my question which relates to the participation of local associations and organizations in the opportunities for youth programs. It is contemplated that these should be established community associations or local associations, or is it contemplated that these will be local associations of students which will take part in this program?

Mr. Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, my understanding is that it will probably include both.

Mr. Stanfield: Can the parliamentary secretary indicate what will be required of the local associations by way of financial participation, and will he assure the House that guidelines and full information will be issued in respect of how associations can qualify for participation in this program, immediately and without any further delay, supplementing the very vague references in the publicity so far?

Mr. Faulkner: Mr. Speaker, without accepting all the comments the Leader of the Opposition makes about the program, I think the point he makes is valid. It is our intention that not only full information but criteria will be provided.

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POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—PROGRESS OF NEGOTIATIONS WITH UNITED STATES

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. What progress has the government made with the United States government in its efforts to stop the flooding of Canadian territory in the Skagit River Valley?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we are continuing discussions. We were discussing this matter with the United States administration yesterday.

Mr. Harding: Is the government officially opposing the application by the Seattle City Light Company at the United States hearings on the Skagit taking place this week in Seattle?

Mr. Davis: No, Mr. Speaker. I do not believe it is normal practice for the government of Canada to appear before semi-judicial bodies of that kind in another country.

Inquiries of the Ministry

AGRICULTURE

FARM PRODUCTS MARKETING BILL—SUGGESTED MEETING WITH GROUP FROM WESTERN CANADA

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I direct my question to the right hon. Prime Minister. It arises from a reply he gave last Monday when he stated he would be prepared to give detailed consideration to regional requests to take the reference to hogs and cattle out of Bill C-176, provided the request did not come from myself. Is the Prime Minister prepared to meet with a small non-political group representing western Canada so they may put forward western Canada's requests in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if there is something that cannot be decided or agreed upon between the Minister of Agriculture and this group, I will meet them, but I think it would be normal practice for them to meet with the Minister of Agriculture to see if their problem can be understood and tackled at that level.

Mr. Horner: I have a supplementary question. It relates to the fact that this bill has been in the mill for exactly a year today.

An hon. Member: Who has been holding it up?

Mr. Horner: Mr. Speaker, this is rather good evidence that there has been a stalemate between the Minister of Agriculture and the representatives of this region of western Canada. That is why I personally request the Prime Minister to hear the views of this non-political representative group from that region of Canada.

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FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS

Mr. J. G. Lind (Middlesex): Mr. Speaker, I should like to direct my question to my colleague, the Minister of Finance. It relates to the increased service charges that banks have now adopted. First of all, if a merchant imposes an extra service charge and collaborates with another merchant across the street it is called retail price maintenance. I wonder whether there is any retail price maintenance involved when the banks increase their service charges in this way and affect all citizens of Canada?

Some hon. Members: Hear, hear!

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as my colleague, the Minister of Consumer and Corporate Affairs indicated, the Combines Investigation Act does not cover services whether it be bank or other services. Perhaps it will in the future.

Inquiries of the Ministry

AIRPORTS

TORONTO—DECISION ON SITE FOR NEW FACILITY

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Minister of Transport. Has he now had an opportunity to meet with the new premier of Ontario concerning the site for the new Metropolitan Toronto airport and, if so, can we expect an announcement this week?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am looking forward with pleasure to meeting the new premier of Ontario tomorrow afternoon here in Ottawa.

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TRANSPORT

PROPOSED USE OF NUCLEAR SUBMARINES TO CARRY ALASKA OIL UNDER POLAR ICE CAP TO EASTERN SEABOARD—TRANS-SHIPMENT FACILITIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Minister of Transport. It relates to the announcement by General Dynamics concerning a proposed plan for nuclear-powered submarines to carry oil under the polar ice cap. Since this will require trans-shipment facilities, has the minister's department undertaken a study with a view to having trans-shipment facilities on Canada's east coast in light of this proposal for the movement of Alaska oil down to the eastern seaboard?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. In addition to General Dynamics there is one other firm at least that has designed a so-called polar submarine. We have undertaken studies on both of them and these are now in the process of being evaluated. The question of trans-shipment points and related matters form part of this study. I might say that one of the reasons for referring polar ice programs to a special committee of the House was so that members could hear witnesses from groups such as these, and it might be helpful to bring them here.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

CANADIAN PITTSBURGH INDUSTRIES LIMITED—MEASURES TO PREVENT TRANSFER FROM QUEBEC TO ONTARIO

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion.

In view of the concern of the employees of the Canadian Pittsburgh Industries Limited in Montreal, I should like to ask whether he has met the directors of this company, and whether his department is making efforts in order to urge that industry to carry on with its operations in Montreal?

[Mr. Benson.]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, unfortunately I have not met anybody. That company has decided to move into Ontario. It has been said publicly that this was because of a grant from my department. That is not so. My department has not given any grant to the company. The Ontario part of that firm did receive a grant, in 1966, I believe, and that has nothing to do with what is happening in Montreal presently.

[*English*]

Mr. Hees: I rise on a point of order. The hon. member for Middlesex should be allowed to ask a supplementary question.

Mr. Speaker: I thank the hon. member for his assistance to the Chair; I shall call upon him from time to time.

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MANPOWER

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—PUBLIC SERVICE JOB OPPORTUNITIES STILL OPEN

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is supplementary to a question asked by the hon. member for Dauphin. It relates to yesterday's announcement by the Public Service Commission concerning summer employment for students. Can the President of the Treasury Board say what percentage of the job opportunities are still open? I ask this question because I understand that a majority of the positions have already been filled, and the information in the press release may be misleading.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I will ascertain from the Public Service Commission what the number is and report to the hon. member.

Mr. Speaker: Order. The allotted time for the question period expired a few minutes ago, but if there is unanimous consent on the part of hon. members to allow the hon. member for Middlesex to ask a supplementary question I have no objection.

* * *

FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS—INVESTIGATION BY BANK OF CANADA

Mr. J. G. Lind (Middlesex): Mr. Speaker, I wondering whether the Minister of Finance could prevail on the Governor of the Bank of Canada to investigate the increase in service charges by the banks and ascertain whether it is necessary in view of the huge profits they are making to the detriment of the citizens of Canada?

Some hon. Members: Hear, hear!

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, it is nice that hon. members opposite should urge you to recognize more members on this side of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The minister has the floor for the purpose of replying to the hon. member's supplementary question.

Mr. Benson: I was attempting to do that. If Mr. Speaker recognized more members on this side of the House we would get more intelligent questions. The answer to the question is that I do not think it is within the power of the Governor of the Bank of Canada.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege. I know it may be embarrassing to the Chair, but the Minister of Finance has just reflected on the Chair and the decorum of the House. He should not do that.

Mr. Benson: If I have, Mr. Speaker, I apologize. I still think it was a good suggestion.

Mr. Hees: Apologize to the Speaker.

Mr. Speaker: Orders of the day.

Mr. Simpson: I rise on a question of privilege, Mr. Speaker. I have been endeavouring to catch Your Honour's eye since the start of the question period. In view of the minister's reply to a question yesterday, I feel that my question requires an answer today.

Mr. Speaker: Order, please. That is not a question of privilege. The hon. member is not the only one who sought the recognition of the Chair. If all hon. members seek to be recognized during the question period, obviously some will not have the opportunity to do so. I bring to the attention of hon. members that when we have three, four, five or six supplementaries to a question, this is the end result. Hon. members do not have an opportunity to ask their questions. The hon. member has suggested to the Chair and the House that he has a very urgent question to ask. The Chair has no objection if the House will allow the member to ask the question.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I regret that there does not appear to be agreement. I will undertake to recognize the hon. member immediately at the beginning of the question period tomorrow.

Mr. Simpson: Further to the point of privilege, Mr. Speaker, as a result of the roster system the question will not be applicable tomorrow because the minister will not be here.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CONSUMER PACKAGING AND LABELLING ACT

PROVISIONS RESPECTING PROHIBITIONS, LABELS, STANDARDIZATION, INSPECTION, ETC.

The House resumed, from Monday, March 15, consideration of Bill C-180, respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Is the House ready for the question on motion No. 5 (Mr. Benjamin)?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to Standing Order 75(2) the recorded division on the proposed motion stands deferred.

Mr. James A. McGrath (St. John's East): I move

That Bill C-180, respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, be amended by deleting clause 19 thereof and substituting therefor:

"19. A copy of each regulation or amendment to a regulation that the Governor in Council proposes to make under section 11 or 18 shall be published in the Canada Gazette, and in at least one leading news publication in each province not less than once and a reasonable opportunity shall be afforded thereafter to consumers, dealers and other interested persons to make representations with respect thereto."

The purpose of this amendment, Mr. Speaker, is to ensure that the regulations which the minister will have power to set up under the terms of this bill will receive the widest possible dissemination across the country and that consumer groups, individual consumers, manufacturers and small businessmen will have an opportunity before the regulations are officially promulgated to make their views known to the Minister of Consumer and Corporate Affairs (Mr. Basford) and the government.

Under clause 19 of the bill as it is now worded, all the minister has to do after the regulations have been set up

is to have them published in the Canada Gazette. Clause 19 reads:

> A copy of each regulation or amendment to a regulation that the Governor in Council proposes to make under section 11 or 18 shall be published in the Canada Gazette and a reasonable opportunity shall be afforded to consumers, dealers and other interested persons to make representations with respect thereto.

During the examination of this bill in committee, we heard evidence from most of the witnesses who appeared. Many of them were apprehensive about the legislation because of the wide discretionary powers that the bill gives to the minister. They were concerned that the regulations which would be made under the bill would not contain the proper safeguards to protect their rights. This is a justifiable misgiving, not only from the point of view of protecting the rights of Canadians who are manufacturing, whether they are small businessmen producing canned fruit or vegetables in Ontario or big conglomerates such as General Foods, but also because Canadian consumers will be affected by this bill. They have a right to know what these regulations will be. They have a right, either through consumers' associations or as individuals, to express their views on the proposed regulations to the minister and the government. If the minister does not accept my amendment, they will be denied that opportunity because the Canada Gazette does not have the widest possible circulation in Canada. As a matter of fact, the Canada Gazette is only read by politicians, senior civil servants and people who are directly involved in government at the federal, provincial and municipal levels.

What is wrong with the suggestion that the regulations be advertised in the leading newspaper of each province? This would give most people a chance to see what the government proposes to do with the power that Parliament will give it under this act. They will have this opportunity if the proposed regulations are advertised in the leading newspaper of each province. They will have an opportunity then to make their own recommendations known to the government, to protest to the government if that is necessary, or to indicate that the government has, in fact, not gone far enough to protect the consumer. I think it is worth noting that the total circulation of the Canada Gazette is less than 3,000. It has a very limited and exclusive readership which would not include the average consumer. Perhaps it might be worthwhile to place on the record a breakdown of the distribution of the Canada Gazette by provinces, in addition to the circulation of the leading newspapers in each of our 10 provinces.

• (3:30 p.m.)

In the province of British Columbia, the Canada Gazette enjoys a circulation of 114. Surely, the minister would want to have his regulations read by more people than the 114 in his province who read the Canada Gazette. I suggest to him that the way to do that would be to advertise the regulations in the Vancouver *Sun*, which has a circulation in excess of 210,000.

Mr. Basford: They would probably get it all wrong.

Mr. McGrath: In the province of Alberta, the Canada Gazette enjoys a circulation of 125, whereas the Edmonton *Journal*, the leading newspaper of that province, has a circulation of 147,000. In the province of Saskatchewan, the Canada Gazette has a circulation of 87, while the Regina *Leader Post*, the leading newspaper in that province, has a circulation of 60,000. In the province of Manitoba, the Canada Gazette has a circulation of 95, whereas the Winnipeg *Free Press*, the leading newspaper of that province, has a circulation of 130,000. In the province of Ontario, the Canada Gazette is a best seller by comparison. It enjoys a circulation of 1,362, whereas the Toronto *Star*, has a circulation of 400,000. In the province of Quebec, the Canada Gazette is not so popular. It has a circulation of 667, whereas the Montreal *Star* enjoys a circulation of 186,000, and *La Presse* in Montreal has a circulation of 206,000. In the province of New Brunswick, the Canada Gazette really takes a beating. It enjoys a circulation of 64, whereas the Saint John *Telegraph-Journal* has a circulation of 29,000. In the province of Nova Scotia, the Canada Gazette has a circulation of 69, whereas the Halifax *Chronicle-Herald* has a circulation of 68,000. In the province of Prince Edward Island, the Canada Gazette has a circulation of 11; that says something for Prince Edward Island. The Charlottetown *Guardian* enjoys a circulation of 16,500. In my own province of Newfoundland, the Canada Gazette has a circulation of 74, whereas the St. John's *Evening Telegram* enjoys a circulation of 46,000. When we get to Labrador, we find that the Canada Gazette has a circulation of only two.

I put these figures on the record to indicate to the House that the minister is defeating the very purpose of section 19 of the bill, which calls for the proposed regulations or amendments to a regulation to be advertised in the Canada Gazette. The reference is to regulations under section 11 of the bill which deals with undue proliferation, standardization, and so on. I ask the minister, is he serious about advertising these regulations, about having the widest dissemination of the regulations and encouraging the widest possible response to them? After all, he is not infallible, nor is the Governor in Council, and even though, hopefully, he will consult with consumer groups, with the Standards Council and with the trade groups, the proposed regulations will probably be lacking in many important aspects. There may be very serious shortcomings which would only be made known through the widest possible publication. It is obvious that they will not get this publicity unless my amendment is accepted.

Advertising in the Canada Gazette is merely a legal technicality. But surely in this particular bill, which comes close to being the minister's consumer's bill of rights and which will affect every single Canadian because we are all consumers, the minister should have departed from the standard, legalistic form of publishing the proposed regulations in the Canada Gazette. Perhaps he will be generous and accept our amendment since this is St. Patrick's Day and the minister may have a little Irish in him. There is some hope for the minister because his mother is Irish. Perhaps on St. Patrick's Day he might

be constrained to accept this amendment, knowing in his heart that it will improve this bill which is so dear to him. We all hope this measure will have the desired effect, since it is receiving the support of everyone in the House.

The principle of the bill is good, but the drafting is bad. It was necessary for the government to bring in a number of amendments. In so doing they incorporated many of the ideas that we had proposed. We had proposed eight amendments in the committee. I forget the number of amendments that were submitted by my colleagues in the NDP. Of our eight amendments, four eventually surfaced as government amendments, having been first rejected by the committee. We are pleased with that. We are pleased that we were able to improve the bill. The bill now before the House is a better bill than the one that received second reading last November. Great credit is due the minister that he saw the light and improved the bill. Now he can go one step further and accept this amendment, the purpose of which is to ensure that the people of this country will know exactly what their rights are with respect to this legislation. If there is one fault that the minister and his department have, it is that they bring in laws, amend the existing laws, and bring in new regulations, all of which are designed to protect the consumers across this country but the average consumer knows nothing about them. The minister himself admitted during discussion of his estimates the other day that he had only a very limited advertising budget.

Mr. Basford: It is $600,000.

Mr. McGrath: I think his budget for advertising amendments to the Bills of Exchange Act was $15,000. This amount would not even be sufficient to let the people of my own province know that they have new rights with respect to bills of exchange and with respect to the sale of sales contracts to finance companies. Nobody in Canada knows about the amendments to the Bills of Exchange Act which every member in this House supported. I submit that nobody will know about this legislation. They will not be aware of the regulations which the Governor in Council will be empowered to set up under this bill unless these proposed regulations are first of all advertised widely right across the country. There is only one way to do that, and it is by advertising in the leading newspapers of each of the provinces. I made an offer to the minister, which I repeat here. If his budget is such that he cannot afford to advertise this important legislation, if he cannot give these important proposed regulations the publicity they deserve, then perhaps Parliament can find the money. I think it is important that we do so.

• (3:40 p.m.)

I think the minister should first accept the amendment, should agree with the argument that the proposed regulations should be as widely disseminated as possible, and then he can come back to Parliament. I am sure Parliament will vote him the necessary money. We believe this amendment would strengthen the bill, just as it has already been strengthened by previous amendments, many of them ours, albeit the government took credit for them. We believe this amendment is necessary if the people of Canada are to know of the rights they will enjoy under this legislation. We believe that the widest dissemination is necessary in order that these regulations will be honoured by people who are in the business of manufacturing, processing, packaging and distributing food and food products.

Mr. A. D. Hales (Wellington): Mr. Speaker, I would like to express briefly my support for the amendment. I support it on two bases. First, I think it is a very reasonable and just request that the consumers, the dealers and the processors should be advised of any regulations, or any amendments that are proposed to this new packaging bill. If it is as good as we think it is, why should we hesitate to tell the people about the bill, and about any changes or regulations that are going to be made?

My support for the amendment is also based on another part of this measure. I refer to clause 3(1) which has to do with the application of the bill. Here we have a piece of legislation drafted in such a way that we are incorporating in it one of the most dangerous principles I have ever heard in this House. I bring to the attention of hon. members this clause which reads:

—the provisions of this Act that by the terms of this Act or the regulations are applicable to any product apply notwithstanding any other Act or the Parliament of Canada.

This means that the bill and the regulations will take precedence over any other legislation that we have passed in this House. Who writes and draws up the regulations? Generally, it is public servants who draft regulations. Do you mean to tell me that we are going to allow regulations, drafted by public servants, to take precedence over any other act passed by this Parliament? This clause should not be in the bill.

I would not object if the clause read, "—by the terms of this Act are applicable to any product apply notwithstanding any other Act of the Parliament of Canada." If we allow the regulations made under the provisions of this bill to override any other act of Parliament, then we are creating a serious precedent. It is for this second reason in particular that I support the amendment. It would add weight to and strengthen the bill. If the bill is as good as we think it is, why not tell the people about the amendments and changes that will be made?

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to say briefly that we in the New Democratic Party support this amendment, but probably for somewhat different reasons from those given by our good friends to my right. First of all, I should tell the House that this amendment proposed by the hon. member for St. John's East (Mr. McGrath) is something of a compromise. It is different from the amendment that he originally moved in the committee. In order to make it easier on the minister, and to lessen the costs of his proposal, he is submitting a compromise amendment which would require the advertising of the regulations in one leading

newspaper in each province in Canada. I believe he means each territory as well.

I quite agree with what the hon. member said when he spoke to the amendment, namely, that the Canda Gazette is hardly a best seller, and that the subscribers to it in the main will be other government officials. I submit that the subscribers to the Canada Gazette will also be organizations, particularly those of the manufacturers, packagers and the processors of products which the consumers buy. No doubt these organizations subscribe to the Canada Gazette and watch it very closely. Certainly, their legal counsel will do the same thing. In addition, the consumers' associations subscribe to it. We support the amendment because we believe it is important that as many members of the general public as possible should have a chance to see the regulations and, if they wish, make representations.

Clause 19 of the bill requires the minister to publish the regulations in the Canada Gazette, and to afford an opportunity not only to the dealers and their associations but also to consumers to make representations regarding any regulations that are published. We feel that if the minister were at least to publish the regulations in one leading newspaper in each province, a significant number of members of the Canadian public would have a chance to look at them. Then, if they wished, they would have an opportunity to make representations. The argument that this will cost too much money surely is not sufficient to override the interests of the consumer. I know the minister is anxious that the public know as much about the bill as possible. Surely, this is one way in which that can be accomplished. I hope that the amendment will prove acceptable to him, since it does not in any way harm the legislation and does not in any way restrict or prevent him from carrying out all the provisions of the legislation. In fact, it will allow him to proceed even further in informing the general public about the regulations.

If the minister accepts the amendment, I hope that when his officials are preparing the advertisements for insertion in one leading newspaper in each province they see to it that the regulations are printed in a more attractive and readable manner than when they appear in the Canada Gazette. One becomes bored after reading the first line of the Canada Gazette. The regulations should be presented in an attractive form in a daily newspaper. Even if they had to be presented in the same way as a Safeway ad, this would be much better than if they appeared in the small type and legal verbiage associated with the Canada Gazette. I think the hon. member who has submitted the amendment has gone out of his way to reword his original proposal in such a manner as to make it more acceptable to the minister, with some saving of cost. I hope the minister will accept the amendment.

• (3:50 p.m.)

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been urged to accept amendment No. 6 proposed by the hon. member for St. John's East (Mr. McGrath). There is nothing I would like to do more than accept it, but I am afraid I cannot. I have been urged to accept it for two reasons, with both of which I agree. First, that today is St. Patrick's Day and the hon. member has some Irish blood as have I. My mother was born and brought up in Bandon and Cork, so on this day of the Irish I would like to agree with my friend from Newfoundland and accept this amendment but I am afraid I cannot. The second reason that I have been urged to accept is one with which I can also agree, that we should do everything possible to inform consumers of their rights. I agree with this, the hon. member for St. John's East agrees and so does the hon. member for Regina-Lake Centre (Mr. Benjamin). But this is not the most efficient or economical way of informing consumers, hence my objection to the amendment. The amendment is put forward in the best possible spirit in the world. I endorse that spirit, that desire which we all share to inform consumers of their rights.

As I explained in the Committee on Health, Welfare and Social Affairs where the bill was examined clause by clause, the cost of this proposal would be considerable. What the amendment calls for is the publication of the regulations passed under this act in the Canada Gazette and one leading newspaper in each province. Apart from the cost of publication in the Canada Gazette, the cost of publication in one newspaper would be extremely high. As an example the publication of the regulations passed under the Hazardous Products Act before Christmas relative to the safety of toys cost in excess of $15,000 for one publication. All that would be published in the legal column of a daily newspaper in one province would be some terribly complicated and legalistically worded regulation which no one would understand and we would spend $16,000 of taxpayers' money. And this would have to go on week after week as we proposed new regulations or amended and changed existing ones.

The Department of Consumer and Corporate Affairs has a very limited budget. The hon. member for St. John's East referred to the budget in the committee on estimates recently when he supported the suggestion that we should have a larger budget for consumer education. I wish we had a larger budget but even so, this is not the way to spend it. What would be published would not be the regulations but only the proposed regulations. Unlike other acts of this Parliament except one, this act calls for publication of proposed regulations in the Canada Gazette. The bill states that the Governor in Council shall publish proposed regulations and allow people an opportunity to comment on them. At great cost to the taxpayers, all that would be published in the newspapers would be what we proposed to do. Various groups would then comment on them and suggest changes. We would then have to redraw the regulations and publish the final regulations. The amendment calls for publication of proposed regulations only, and this would cause great confusion. There is a better way than this to inform consumers of their rights.

This House has just completed debate on the statutory instruments' bill which arose from a special committee

which concerned itself with the whole question of delegated legislation, statutory instruments and the regulation-making power of the government and its agencies. In the published report of the special committee, a whole chapter is devoted to publication, but there is no suggestion of this type of procedure. The committee knew that there was a more efficient and economic way of informing the special interest groups and the general public of their rights, and the effect of regulations being passed, than is set out in this amendment. The special committee sat week after week and month after month studying this question of the regulation-making power of the government, and had they felt that this amendment was the right way to go about things we could take it for granted that it would have been included in their recommendations. Because I think it would cause confusion, because the money spent would not be put to best use and because it has not been recommended by the special committee, I do not think the amendment can be accepted.

The government agrees with the spirit of the amendment of trying to inform consumers of their rights. However, we have already put into the bill a statutory requirement for the minister to publish proposed regulations. This requirement is contained in only one other act of this Parliament. In addition, there is a statutory duty on the minister to receive representations from all interested groups. That is a common statutory right which is usually taken for granted, but in this bill it is spelled out as a specific obligation.

Mr. McGrath: Mr. Speaker, would the minister permit a question?

Mr. Basford: Yes, Mr. Speaker.

Mr. McGrath: Since the minister has indicated that he will not accept this amendment and since he agrees with the arguments in favour of it, could the minister inform the House how he proposes to circulate or publicize the proposed regulations? Can he tell us how he intends to solicit the response which he hopes to get from consumer groups across the country? That information would be very useful to the House because he is certainly not going to get it from the 2,800 copies of the Canada Gazette circulated in Canada.

Mr. Basford: Before starting to draw any regulation at all, we would notify the people known to be interested in whatever subject we were proposing to cover by way of regulation. For example, if we were dealing with toothpaste tubes or detergent packages or textile labelling, we would notify both the manufacturing and producer groups involved as well as the Consumers' Association of Canada. We would show them some general outline of our proposals and receive their comments, then we would draft regulations and submit them to the Department of Justice. Once they had been drawn and approved as the policy of the government, they would have to be published in the Canada Gazette as proposed regulations. However, long before publication those parties interested in the subject matter of the regulations would have been consulted and would have had an opportunity of making recommendations. Once published, of course, the statutory right to be heard arises. We would have to listen, and we would welcome comment on these regulations.

• (4:00 p.m.)

I think those who are interested in the regulations will experience no difficulty in knowing about them or in being heard. For example, the bill has arisen out of some 50 different recommendations of the Consumers Association of Canada. All of these were detailed recommendations, or detailed resolutions respecting some aspect of packaging and labelling. Most of these people are volunteers. This is not an expensive trade group, with high priced executives, directors, boards, and people who are paid to sit in the gallery of the House of Commons to ascertain what is happening. The Consumers Association is not like that. Nevertheless they, as volunteers, still are able to keep a watch on what is happening in my department, fortunately, and are able to make their input felt with respect to the making of regulations. They have done this effectively, and this bill provides the statutory right for them to do that.

Mr. Hales: Mr. Speaker, may I ask the minister a question? Since he did not either agree with or refute my argument concerning the regulations, may I ask the minister if it is the intention of those who drafted this bill to provide that the regulations made under the bill will apply notwithstanding any other act of the Parliament of Canada.

Mr. Basford: Mr. Speaker, I did not reply to the hon. member's remarks because I thought they were out of order. They referred to clause 3, with which we are not now dealing. We are dealing with the amendment relating to the publication of regulations. We debated yesterday the provisions relating to clause 3. I quoted at that time from the debate in the committee. I commented on the brief from Dr. Ziegel, the prominent lawyer in this field in Canada, which suggests that clause 3 would not have the effect that the hon. member suggests it may have. Allow me to read clause 3(1):

> Subject to subsection (2) and any regulations made under section 18, the provisions of this Act that by the terms of this Act or the regulations are applicable to any product apply notwithstanding any other Act of the Parliament of Canada.

It seems to me, Mr. Speaker, that the wording of clause 3(1) is clear. It provides that this act is the paramount act, and regulations made under this act are the paramount regulations. Since there are prior acts dealing with certain aspects of packaging and labelling, it is not unusual to provide in the latest act to come before Parliament, in this case the one we are considering, that that act and the regulations passed under it will govern and be paramount. That is the issue. That is what the bill provides. The substance of this bill is that this is the paramount legislation. This is to be the principal packaging and labelling legislation, and these are to be the principal regulations in this country. If you changed that, you would destroy the whole purpose of the legislation.

Mr. Hales: Mr. Speaker, may I say to the minister that I brought this question before the House because the amendment we are dealing with deals with advertising regulations. I was not referring to clause 3 specifically. I knew that we had discussed that earlier. I gather from the minister's answer that regulations drafted by employees of the government will apply notwithstanding any other act that this House has passed. In other words, regulations that the minister's department are to draft will override any other act that this Parliament has passed.

Mr. McGrath: Mr. Speaker, that is why we wanted these regulations publicized.

Mr. Basford: Mr. Speaker, that is not quite correct. It is provided that the regulations will be made by the governor in council, which is not a group of civil servants but the cabinet of this country. The regulations passed normally under clause 3, and pursuant to the provisions of this bill, shall apply notwithstanding any other act of the Parliament of Canada. I think the wording of the legislation is clear.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I think the minister's reply to the hon. member for St. John's East (Mr. McGrath) cleared up something with regard to these regulations about which we were afraid. If my memory serves me right, the minister said that before regulations are made certain interested groups, such as manufacturing groups, retail merchant groups and others who would be involved with the regulations will be called in to discuss the regulations. Was this what the minister indicated when he replied a few minutes ago? If so, it clears up my misunderstanding somewhat regarding clause 18 which has to do with the publication of regulations. I felt that the minister was putting the cart before the horse, because I thought he said that the regulations were to be published in the Canada Gazette and then, after that, interested groups were to be allowed to appear.

I think the minister's reply was clear. I believe he said that, before the regulations are made by the governor in council or anybody in the minister's department, there will be consultation with the people concerned with the product being regulated. I do not think that that is spelled out in the bill, Mr. Speaker. If it is, I have yet to see it. Where does the bill say that the regulations will be published after there has been consultation with these groups? As I say, if my memory serves me right, the minister's reply a few minutes ago indicated that before the governor in council brings in these regulations, consultations will take place with interested parties. I should like to hear the minister repeat that, or tell us where in the bill there is provision for consultations before the governor in council makes these regulations.

Mr. McGrath: The consultations are only permissive. The bill does not say that they are mandatory.

Mr. Howe: That is what I say. On the other hand, if what the minister has said is correct, if the governor in council is to consult with the people concerned before the regulations are made, then that clears up some of our worries. We are also concerned about the matter of the regulations being advertised. The minister will listen to groups, and he may change or amend the regulations after that. However, there is no indication that the regulations will be changed or amended after the consultations. I should like the minister to clear up that matter. Also, is there any definite indication that the people concerned are to be consulted before any regulations are made?

Mr. Basford: Mr. Speaker, I thought I had made this clear in committee; however, judging from hon. member's comments and from comments I have seen in the press and in editorial columns, I have not made it clear. Surely, the normal processes by which legislation and regulations are drawn up will apply to this bill and to these regulations just as they apply to other bills and other regulations. The department I head has endeavoured to be assiduous in consulting with those in the private sector who may be affected by the legislation and regulations. It has been assiduous in consulting with manufacturing, producing and consuming groups. We have consulted them as to what our proposed legislation should involve, what it should provide for and what it ought to protect against.

• (4:10 p.m.)

We have followed that procedure also in the drafting of any regulations we have proposed. May I give an example and go back to something I mentioned before, the toy safety regulations which we passed pursuant to the Hazardous Products Act shortly before Christmas. They were a long time in the drafting and resulted from many, many meetings of the committee made up of the Canadian Toy Manufacturers Association, the Canadian Toy Importers Association, the Canadian Consumers Association and the Canadian Toy Testing Council. My officials, in meeting after meeting with that committee, discussed the various hazards that existed in toys available in Canada. We wanted to know the best way to eliminate those hazards. This applies to every piece of legislation we draw up and to every regulation we draw up. The hon. member raises his question on behalf of the manufacturing groups or those who might be affected. I discussed this particular bill, C-180, in its main outlines, with members of the Grocery Products Manufacturers Association more than a year ago, quite apart from the discussions which my officials have held with them. They were presented at that time with a memorandum setting out the kind of bill which the department felt should be introduced, and their comments were invited. What were the pitfalls, what were the difficulties likely to be encountered. That kind of consultation has gone on, and will continue.

The unusual feature of this bill is clause 19 which provides that even after this consultative process has gone on, after we have heard from all the groups which watch what we do in the department and are interested in our activities, after the Governor in Council has reached his conclusion as to the regulations, they must be

published in the Gazette as proposed regulations upon which people have a statutory right to comment. If they have a good case, if they can show us we are wrong, we in the government, being sensible people, will change the regulations in such a way as to overcome the objection which has been raised.

I read editorials. I read that our procedure is dictatorial, authoritarian, and so on. The other day, the *Financial Times*, for example, wrote in connection with the packaging bill that it was proposed the minister should consult with representatives of the manufacturers, of consumer groups, and so on. Then, it added: "Mr. Basford is having none of that." Mr. Speaker, that is totally inaccurate. It is totally wrong, and I am surprised that the *Financial Times* is not better informed than to write editorials which say something like that. Speeches are made on the rubber chicken circuit to the effect that this department is not interested in consulting with business groups, and so on. That is quite wrong. The doors of my office, or of my department, are open to anyone who wants to talk about what we are doing or the regulations we want to draw up. Whoever says otherwise is lying, either for the purpose of discrediting the consumers' cause or because he is so misinformed, or so outside what is happening that he is not really at the centre of things. Be they members of a consumers' association or of a manufacturers' group, everyone who has something to say will find that my door is open; they are welcome to come in and express their point of view.

Some hon. Members: Hear, hear!

Mr. McGrath: That is a long-winded answer to a very simple question. I think it is unfair of the minister to imply as he did that we voiced this reservation simply out of our concern for the manufacturing industry.

Mr. Basford: I did not say that.

Mr. McGrath: The minister said that. The purpose of my amendment is to ensure that the proposed regulations are read by as many Canadians as possible, by the average consumer. I submit that it is not possible to reach the average Canadian by means of announcement in the Canada Gazette with its relatively small circulation. The consumer has a tremendous stake in this business. We realize that the minister will consult with the manufacturers, with the consumers' associations and with some of the main packagers. We are concerned about consultation with the average consumer.

Mr. Boulanger: You will get it, don't worry.

Mr. Deputy Speaker: Hon. members have heard the motion of the hon. member for St. John's East (Mr. McGrath). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

23966—64½

Division

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: The recorded division on this motion will be deferred pursuant to Standing Order 75(2).

The House will now revert to deferred divisions on motions Nos. 2, 3, 4, 5, and 6. Call in the members.

• (4:40 p.m.)

And the members having been called in:

Mr. Deputy Speaker: Order please. The House will now revert to deferred divisions on motions Nos. 2, 3 3and 4, 5 and 6, proposing amendments to Bill C-180, respecting the packaging, labelling sale, importation and advertising of prepackaged and certain other products. The first question is on motion No. 2 (Mrs. MacInnis). Is the House ready for the question?

The House divided on motion No. 2 (Mrs. MacInnis) which was negatived on the following division:

YEAS

Messrs:

Barnett
Beaudoin
Benjamin
Burton
Dionne
Douglas
Fortin
Gauthier
Gilbert
Gleave
Godin
Harding
Howard (Skeena)
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
MacInnis (Mrs.)
Mather
Orlikow
Peters
Rodrigue
Rondeau
Rose
Saltsman
Skoberg
Tétrault
Thomson (Battleford-Kindersley)
Winch—27.

NAYS

Messrs:

Alkenbrack
Andras
Badanai
Baldwin
Barrett
Basford
Béchard
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cadieu
Cafik
Carter
Chappell
Clermont
Cobbe
Code
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Crouse
Cullen
Danforth
Danson
Davis
Deachman
Deakon
Dinsdale
Downey
Drury
Dubé
Dupras
Duquet
Émard
Fairweather
Faulkner
Flemming
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gillespie
Greene
Guay (St. Boniface)
Guilbault
Haidasz

Division

Messrs:

Hales
Harkness
Hees
Hellyer
Hopkins
Horner
Howard
(Okanagan Boundary)
Howe
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Knowles (Norfolk-
Haldimand)
Korchinski
Lachance
Laing
(Vancouver South)
Lambert
(Edmonton West)
Lang (Saskatoon-
Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard
(Lac-Saint-Jean)
Lind
Loiselle
Lundrigan
MacEachen
MacInnis (Cape
Breton-East Richmond)
MacLean
McBride
McCleave
McGrath
McIlraith
McIntosh
McKinley
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Mazankowski
Moore
Morison
Murphy
Noël
Nowlan
O'Connell
Otto
Ouellet
Peddle
Penner
Perrault
Portelance
Pringle
Ricard
Richard
Richardson
Ritchie
Roberts
Robinson
Rock
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Skoreyko
Smith
(Northumberland-
Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Marquette)
St. Pierre
Thomas
(Maisonneuve-
Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudeau
Trudel
Turner (Ottawa-Carleton)
Valade
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yewchuk—151.

Mr. Deputy Speaker: I declare the motion lost. The question now is on motion No. 3 (Mrs. MacInnis). Is the House ready for the question?

The House divided on motion No. 3 (Mrs. MacInnis) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Benjamin
Bigg
Burton
Cadieu
Carter
Code
Crouse
Danforth
Dinsdale
Dionne
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Hales
Harding
Harkness
Hees
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg
North Centre)
Knowles (Norfolk-
Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
La Salle
Lundrigan
MacInnis (Cape
Breton-East Richmond)
MacInnis (Mrs.)
MacLean
McCleave
McGrath
McIntosh
McKinley
Marshall
Mather
Mazankowski
Moore
Nowlan
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Thomson
(Battleford-Kindersley)
Valade
Winch
Yewchuk—76.

NAYS

Messrs:

Andras
Badanai
Barrett
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Davis
Deachman
Deakon
Drury
Dubé
Dupras
Duquet
Émard
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Gillespie
Greene
Guay (St. Boniface)
Guilbault
Haidasz
Hellyer
Hopkins
Howard
(Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Lachance
Laing
(Vancouver South)
Lang (Saskatoon-
Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard
(Lac-Saint-Jean)
Lind
Loiselle
MacEachen
McBride
McIlraith
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Morison
Murphy

Messrs:

Noël
O'Connell
Otto
Ouellet
Penner
Perrault
Portelance
Pringle
Richard
Richardson
Roberts
Robinson
Rock
Roy (Timmins)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
St. Pierre
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—102.

• (4:50 p.m.)

Mr. Deputy Speaker: I declare the motion lost.

Before I put the next question, I might mention that last Monday it was agreed that a negative vote on motion No. 3 would also dispose of motion No. 4. The House will, therefore, now proceed to motion No. 5.

The House divided on motion No. 5 (Mr. Benjamin) which was negatived on the following division:

YEAS

Messrs:

Barnett
Beaudoin
Benjamin
Burton
Dionne
Douglas
Fortin
Gauthier
Gilbert
Gleave
Godin
Harding
Howard (Skeena)
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
MacInnis (Mrs.)
Mather
Orlikow
Peters
Rodrigue
Rondeau
Rose
Saltsman
Skoberg
Tétrault
Thomson (Battleford-Kindersley)
Winch—27.

NAYS

Messrs:

Alkenbrack
Andras
Badanai
Baldwin
Barrett
Basford
Béchard
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cadieu
Cafik
Carter
Chappell
Clermont
Cobbe
Code
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Crouse
Cullen
Danforth
Danson
Davis
Deachman
Deakon
Dinsdale
Downey
Drury
Dubé
Dupras
Duquet
Émard

Division

Messrs:

Fairweather
Faulkner
Flemming
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gillespie
Greene
Guay (Saint-Boniface)
Guilbault
Haidasz
Hales
Harkness
Hees
Hellyer
Hopkins
Horner
Howard (Okanagan Boundary)
Howe
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laing (Vancouver South)
Lambert (Edmonton West)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Lundrigan
MacEachen
MacInnis (Cape Breton-East Richmond)
MacLean
McBride
McCleave
McGrath
McIlraith
McIntosh
McKinley
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Mazankowski
Moore
Morison
Murphy
Noël
Nowlan
O'Connell
Otto
Ouellet
Peddle
Penner
Perrault
Portelance
Pringle
Ricard
Richard
Richardson
Ritchie
Roberts
Robinson
Rock
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Marquette)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudeau
Trudel
Turner (Ottawa-Carleton)
Valade
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yewchuk—151.

Mr. Deputy Speaker: I declare the motion lost.

The next question is on motion No. 6 (Mr. McGrath). Is the House ready for the question?

The House divided on motion No. 6 (Mr. McGrath) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Benjamin
Bigg

Division

Messrs:

Burton
Cadieu
Carter
Code
Crouse
Danforth
Dinsdale
Dionne
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Hales
Harding
Harkness
Hees
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
McCleave
McGrath
McIntosh
McKinley
Marshall
Mather
Mazankowski
Moore
Nowlan
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Winch
Yewchuk—76.

NAYS

Messrs:

Andras
Badanai
Barrett
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Davis
Deachman
Deakon
Drury
Dubé
Dupras
Duquet
Émard
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Gillespie
Greene
Guay (St. Boniface)
Guilbault
Haidasz
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
McBride
McIlraith
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Murphy
Noël
O'Connell
Otto
Ouellet
Penner
Perrault
Portelance
Pringle
Richard
Richardson
Roberts
Robinson
Rock
Roy (Laval)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
St. Pierre
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—102.

[Mr. Deputy Speaker.]

• (5:00 p.m.)

Mr. Deputy Speaker: I declare the amendment lost.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved that Bill C-180, respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Some hon. Members: By leave, now.

Mr. Basford moved that the bill be read the third time and do pass.

Mr. James A. McGrath (St. John's East): Mr. Speaker, it is not our intention to delay this bill, since it has been around for almost four months. It was first introduced in the House on November 2 last year and received first reading, but did not come up for second reading until December 16. Since that time, Sir, it has received very exhaustive and intensive examination in committee. The Standing Committee on Health, Welfare and Social Affairs spent a total of 13 days examining this very important bill clause by clause, and heard 15 witnesses and as many briefs. That, coupled with the two days that the House has spent on report stage and third reading, means that the bill has received a total of 15 days debate and examination. And well it should, Sir, because it is an important bill. It is the most important consumer bill to come before this House. It certainly is the most important piece of consumer legislation to be introduced by this government.

The opposition has a responsibility in respect of government bills, and if the opposition supports the principle of a bill presented by the government it is then incumbent upon the opposition to examine that bill clause by clause, to submit amendments if necesssary, with the

intention of trying to improve the bill. Now, we have supported the principle of the bill. We have made this very clear throughout. When the bill first came up for second reading our intentions in this regard were made known, and our intentions were made known during the days when the bill was receiving clause by clause examination in the committee. Since we supported the principle of the bill, we felt that the bill needed improvements.

I think that the minister will be the first to admit that the bill which is now before the House is a vastly different piece of legislation from the one he originally introduced away back on November 2, 1970. It is a better bill. It is a better bill because members of the committee representing all parties examined it very closely clause by clause. It is a better bill because many of the amendments that we moved in committee, although rejected out of hand by the government by the use of its majority on the committee, eventually resurfaced as amendments proposed by government supporters at the instigation of the minister. So, we can take some credit for the fact that the bill now before the House is a vastly improved one. It is a better bill than the one that was originally introduced. Mr. Speaker, we believe that this was our responsibility and we have tried throughout to discharge that responsibility to the best of our ability.

• (5:10 p.m.)

The minister may try to convey the impression, sometimes supported by his colleagues from the NDP, that he is custodian of the rights of the consumer. He cannot say that to this party, Mr. Speaker. Every member of this House had very special responsibilities with regard to consumer rights and no party in this House has been as diligent and aggressive in discharging this responsibility as the official opposition.

Some hon. Members: Hear, hear!

Mr. McGrath: In that respect, Mr. Speaker, we take a back seat to no one, not the minister or his colleagues in the government or our well meaning and well intentioned friends in the NDP. In their more serious moments, I think hon. members in this House will concede this fact. However, we had very strong reservations and doubts about the way the bill was originally drafted. Indeed, we have doubts about some of the clauses of the bill in its present form.

One thing that causes us concern, Mr. Speaker, relates to the regulations which the minister will have the authority to draw under Clause 3. Reservations were expressed by the hon. member for Wellington (Mr. Hales). It is not that we have reason to doubt the minister's good intentions with respect to carrying out the intent of the bill; it is just that we do not believe the minister is the fountain of all knowledge and we do not believe that the Governor in Council is incapable of making mistakes. In view of the wide powers the minister will have under section 3 to draft regulations, which in some instances will supersede existing acts of Parliament, we believe the minister should give these proposed regulations the widest possible publicity. I submit to you, Sir, that it is not possible to do that under the present provisions of the bill. It is not possible to do that by publishing the proposed regulations in the Canada Gazette which has a very limited distribution, with a circulation of less than 3,000.

We believe that these regulations, which will be conceived by the Governor in Council after consultation with the consumers of Canada, with the Grocery Products Manufacturers' Association and other interested groups with the responsibility for manufacturing, packaging, distribution, will be presented in the Canada Gazette as proposed regulations. But we say because of the wide-ranging powers that the minister will or conceivably can have under these regulations, and because these regulations can supersede existing acts of this Parliament, they should receive the widest possible distribution so that consumer groups, co-operative groups and the average individual in this country who is concerned enough to express an opinion, can do just that. These interested parties should be able to criticize the regulations for their sins of omission or commission but I submit, Mr. Speaker, that they will be denied that opportunity because of the fact publication will be limited to the Canada Gazette.

There are 15 separate statutes presently in existence covering the packaging, labelling and, distribution of food and food products. They range all the way from the Weights and Measures Act, the Fish Inspection Act, the Meat and Canned Foods Act, to the Trademark and the Truth in Labelling Acts. The regulations which the minister has authority to draw up under clause 3 will supersede many of these 15 statutes. That is the concern of the opposition. It is our responsibility to be on guard against what would appear to be the excessive use of power by means of this use of statutory instruments. In other words, Parliament will have no say in the drafting of regulations. We say the people of Canada should have a chance to examine them before they are agreed upon and promulgated in final form. That was our main criticism of the bill.

We support the bill in principle, Mr. Speaker. We have had our innings; we have submitted our amendments in committee and many of them were accepted by the government through the back door as government amendments. We submitted two of these amendments to the House because we felt that they focussed attention on our main concern, the drafting of the bill, notwithstanding what the minister said during debate and without detracting from the bill itself. The bill is ready for third reading and I want to make it clear that we are glad it has been improved by the amendments adopted in committee. It is a better bill because of them.

In supporting the bill, this party wants to reiterate and re-emphasize its position in support of some other protection in the area of packaging and labelling. There is no question that a case can be made for many of the powers which the minister would be receiving under the terms of this bill. There is undue proliferation in sizes and there is misleading labelling on many of the food items which appear on supermarket shelves. The case has been documented and I will not repeat it here. The minister was

co-chairman of a Special Joint Committee of the House and Senate on Consumer Credit which went into this problem in detail, and many of its recommendations are incorporated in this bill. The case has also been documented by the Royal Commission on Consumer Problems in the three Prairie provinces, Manitoba, Saskatchewan and Alberta, under the chairmanship of Judge Mary Batten. The report of this commission is known as the Batten report.

We support the need for some protection. We want to emphasize and reiterate that support by supporting the bill on third reading.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, we, too, approve this legislation as far as it goes, and I suppose the minister expected us to take that position.

• (5:20 p.m.)

Mr. Basford: Some day the hon. member may see the light.

Mr. Benjamin: There are approximately 7,000 different prepackaged items at present on shop shelves in Canada. It is estimated that in the next four years there will be between 15,000 and 20,000 prepackaged items on the shop shelves of Canada. In other words, there will be a shoppers' jungle and it will be more difficult for shoppers to make intelligent decisions on the basis of quantity, quality and the value of the articles they purchase. Although I say this is a good bill as far as it goes, may I point out that we, of the New Democratic Party, took the minister at his word when he said in committee that we should worry less about the bill going too far and more about those areas in which the bill might not go far enough. In other words, he invited all hon. members to make certain that there are not areas in the bill that the minister and his officials missed or overlooked, to make sure that there are not loopholes which might be used to deceive or mislead, either intentionally or accidentally.

We took him at his word. We proposed a number of amendments in committee, none of which the minister would accept and all of which would have done even more than the minister proposed. In essence, he argued against the amendments, some of which he felt had merit, but he thought they were unconstitutional. In using that argument the minister is on extremely soft ground, because I submit, as we did earlier in this House and in committee, that if proposals we made to amend, strengthen and enlarge this bill were unconstitutional, then many other areas that the minister has included in this bill are also unconstitutional. For example, we think it is entirely illogical of the minister to require legislation that prevents deception in the area of sizes, shapes of packages or containers and contents on labels, while at the same time relying on the better nature and good ethical practices of those who manufacture, package, process and sell products to determine the matter of pricing. In dealing with the first three areas and ignoring the fourth, we think the minister is being illogical. However, we have half a loaf, and for a starving man that is better than none.

Because the minister has refused to accept amendments that would improve and enlarge the bill, we feel that within one or two years of its coming into operation he will find that some will utilize pricing practices to mislead or deceive, and that they will do this deliberately. Others will do this purely accidentally, but there will be no regulations under this legislation to correct that situation. We shall hear a further outcry from consumers once they become aware of those practices. We predict that after one or two years of experience with this legislation, the minister will regret having refused to accept our amendments regarding the storage and dating of perishable products. Such problems as we presently experience will not be corrected under this legislation.

As my hon. friend, the hon. member for St. John's East (Mr. McGrath) pointed out, the committee heard witnesses from pretty well all organizations involved in the manufacture, packaging, labelling and processing of products. We also heard witnesses from the paper industry, most of whom opposed this legislation. There were a dozen or 15 of such associations appearing before the committee. On the other side of the coin, the Canadian Association of Consumers appeared before the committee in support of the legislation. I would hardly call that an even fight. Thank goodness, to the credit of the minister, as became evident in subsequent questioning, he lined himself up, in the main, on the side of the Canadian Association of Consumers and of consumers generally.

The Grocery Products Manufacturers Association, the Canadian Manufacturers Association, the Toilet Goods Manufacturers Association and the Paper and Packaging Manufacturing Association appeared before the committee and, I feel, deliberately exaggerated the intent and purpose of this legislation. In almost every instance, they read a great deal more into the legislation than is contained in it and said that the minister could do more than he can. They tried to mount a scare campaign. They were arrogant. They knew—they did not think—they knew that they knew better than anyone else what the needs, wishes and desires of consumers were. The president of the Canadian Manufacturers Association had the unmitigated gall to say in committee that they, the manufacturers, knew better than anybody else what the needs and desires of the consumers were. What conceit. What arrogance! I should like to think that the minister, as well as members of the committee, got the message loud and clear, because this kind of talk to a committee made up of representatives of the people of Canada should not be accepted.

We have seen more than one example of this kind of arrogance and conceit. The March issue of "Executive" carries a lengthy interview, if one can call it that so with Mr. John C. Lockwood, president of Lever Brothers Ltd. I never saw so many loaded questions in one interview in my life. The more one reads this interview the more one becomes incensed about it and the more becomes disappointed that the minister did not accept some of the amendments we proposed. I predict, in light of the attitude of this gentleman and others like him, that the minister will have a lot of fun, not to say difficulty, in

enforcing his law. He will find himself in court at almost every step of the way. There will be a fight over almost every regulation made.

In the article Mr. Lockwood is reported as saying:

> The minister and his people think they know better than we do what the consumer wants, and that's an astonishing situation. After all we have spent years and hundreds of thousands of dollars in market research and have had tremendous exposure of our products to the marketplace.

That is perfectly true. Outfits like Lever Brothers have spent hundreds of thousands on market research and on exposing and selling their products. What is the reputation and history of companies which manufacture and peddle detergents and soaps? They introduce gimmickry, contests and prizes. Packages are partly filled. Packages contain a reduced amount of soap and in them is a tea towel worth less than one tenth of the value of the soap it displaces. Outfits like that have had to face courts because of the type of advertising they have carried on and because of the way they have presented their product to the public. This statement applies whether you are considering tooth paste, soap or what have you. These are the kinds of outfits that act in the manner characterized by Mr. Lockwood. He was asked this question in the interview:

> Do you question whether this group of people know what they're doing; or do you question their motivation for doing it?

The group Mr. Lockwood refers to are, "The minister and his people—pseudo-intellectual characters," all of whom show a form of arrogance that has to be fought. Mr. Lockwood not only questions this group of people, not only questions what they are doing, but also questions their motivation for doing it. I hope that the minister will have an opportunity at some time to have a good discussion with Mr. Lockwood privately. I will even send over a pair of boxing gloves for him to use. Mr. Lockwood does not think they have the necessary data to work on because none of them have much experience with the consumer market and they tend to be influenced by a few letters addressed to Box 99 or a few intellectual friends.

• (5:30 p.m.)

As the hon. member for St. John's East (Mr. McGrath) said, we spent dozens hours listening to gentlemen like Mr. Lockwood. People like him got a hearing in greater length and depth, I imagine, than they have ever received before. I shall not take the time of the House to go further into this article, but when we read it we realize what the minister and his department will be up against. If the minister thinks for one moment that he will receive co-operation, advice and help from this outfit he is labouring under a delusion. He can expect a lot more difficulty than he has envisaged so far and he will wish that more of the tools we were proposing for him in our amendments were available before another year is up. This gentleman, Mr. Lockwood, who represents the other side, uses phrases like "galloping Basfordism".

Mr. McGrath: Watch your language.

Mr. Benjamin: I think he gives the minister too much credit. Even the minister, good though his motives are, cannot claim credit for originating the ideas in this legislation. It seems to me expressions of this kind from outfits like Lever Brothers are symptomatic of their real attitude toward the public of Canada. Their attitude is—the public is ignorant, dumb, and a bunch of suckers. To quote the head of the Canadian Manufacturers' Association, the manufacturers know infinitely more. Such expressions are also symptomatic of their attitude toward Members of Parliament, including members of the other place who, in a joint committee which started this work in 1966, spent months listening to the outcries of consumers across the country; everyone in public life has for 15 years been subject to the complaints and distress of consumers by the tens of thousands. Mr. Lockwood would have us believe that he knows what the consumers want; that he and people like him have been pure in the marketplace; that they have never misled consumers; that their packages are designed to give the consumer a right to choose. But he never tells us what choice the consumer is given. I submit that too often it is a choice between which package or label he would be misled by.

I am glad to hear that the spokesman for the official opposition welcomes this legislation. One is tempted to be unkind, but I will resist that temptation for fear that third reading might not be forthcoming today.

Mr. McGrath: Also it is St. Patrick's day, and I am Irish.

Mr. Benjamin: This has been a long road for the consumer and I will resist any temptation to say things about my friends in the official opposition. If I were to do so, I would have to go back a few years and quote prominent members of the Liberal party who did not think too much fuss need be made about consumer problems. They called people in the NDP and people in the Canadian Association of Consumers economic idiots, who were raising a tempest in a teapot. They concluded that these matters should be left to free enterprise, to the free market. But even they have become converted over the years.

To the minister's credit, his arrival and the arrival of some of his hon. friends in 1965 and later, speeded up this conversion. I hope that after a year or so of experience with this legislation the minister will come to this House with amendments when he finds—I did not say "if", but "when"—there are inadequacies which prevent him doing the job he wants to do. I hope he will not hesitate to persuade his colleagues that further enlargement of this legislation is necessary on the basis of his experience.

We are happy to see this legislation going through Parliament. We wish it went further in its provisions than it does, but we shall be glad to support it on third reading.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): If I might say a word before the debate on third reading is concluded, I should like to acknowledge

two speeches which have been made by the hon. member for St. John's East (Mr. McGrath) on behalf of the Conservative party and by the hon. member for Regina-Lake Centre (Mr. Benjamin). In acknowledging those speeches, I should like to thank the hon. members of the Standing Committee on Health, Welfare and Social Affairs who spent many days listening to a great range of witnesses from manufacturers associations, consumer organizations and the department in the course of examining the provisions of this bill. Some 23 sittings of the committee were held and the committee heard representations from 13 organizations in addition to hearing from myself and my officials. In addition, of course, the committee had to take account of numerous briefs and submissions from organizations which were not personally represented.

• (5:40 p.m.)

As the hon. member mentioned, a number of amendments were made in committee, including some important amendments. I acknowledge freely the germination of the ideas behind them; some of the points arose from ideas put forward by members of the opposition. I think the bill is a better bill today than it was when it went into committee, because of the suggestions by the government and the opposition, including the hon. member for St. John's East. I think that is not a criticism of me of the bill, or the government and the bill it introduced. Rather, it is to the credit of the parliamentary system and is an indication that Parliament is working. It also gives credit to the government and puts the lie to the allegation that the hon. member for Peace River (Mr. Baldwin) is always making that we are an arrogant government and do not care about the parliamentary process. As a matter of fact, I am delighted that the hon. member for St. John's East acknowledged that a number of amendments suggested by the official opposition had been accepted by me on behalf of the government. I think it is true that every bill I have introduced has been amended in committee. As I say, that is not a criticism of me or of my bills, but rather a credit to the parliamentary system and the operation of the democratic processes in this country.

I have mentioned this because we have now reached third reading stage and it has been indicated that the bill will have the unanimous support of every member of the House. I think this is significant in view of the remarks made by the hon. member for Regina-Lake Centre in, I think, amusing the House in describing the interview—which I must admit I have not seen—given by the president of Lever Bros., Mr. Lockwood, who was critical of what was going on in the consumer movement.

It seems to me that Mr. Lockwood and his colleagues should take note of the fact that the members of the House of Commons of Canada, duly elected from all parts of Canada, have considered this bill very carefully, have considered it in numerous hearings before its committee, have listened to briefs from manufacturing groups, producer groups and consumer groups, and as a result of all such deliberations have come to the conclusion that the bill is needed and should be supported unanimously by Social Crediters, members of the New Democratic Party, members of the Conservative party and members of the government. If I were John Lockwood, the president of Lever Bros., or Colgate, I would consider this fact a pretty reliable consumer survey of what should be the law of this country. There are those in industry who support and are sympathetic to what the consumer movement is trying to do. I think those who do not fall into this category should take note of what is happening in this House this afternoon.

I also hope that those gentlemen in the other place who form the other part of this Parliament, and who sometimes have not been sympathetic to legislation introduced by the consumer affairs department will take note, not of editorials in the *Financial Post* or in the *Financial Times*, but of the fact that this bill is passing the House of Commons this afternoon, and passing unanimously. As a result, I trust they will treat this bill sympathetically when it arrives in the other place.

May I mention with your permission, Mr. Speaker, one other matter. In order to correct a misapprehension that has arisen, I would draw the attention of the House to the fact that in my statement on second reading, in raising the question of bilingual labelling, an error appears at page 2128 of *Hansard* for December 16, the third line from the bottom of the first column. I inadvertently omitted one line of my statement, and as a result some confusion has been caused with regard to bilingual labelling of imported products. At that time I was announcing that it was government policy to require, as a general practice, that consumer products that are subject to federal legislation be labelled in both official languages. Under the present practice some laws specify either one language or the other; some make no mention of language. Only the Hazardous Products Act and the Food and Drug Act specify labels in both languages.

As I was announcing in December, over the next few years all consumer products subject to federal legislation will progressively have to meet the bilingual labelling requirement, so that as quickly as practical and practicable bilingual labelling shall be mandatory at the point of manufacture. It is recognized that imports may require special attention to ensure that foreign suppliers are aware of the bilingual requirements. So, I want to emphasize that every effort will be made to encourage the earliest implementation of these new rules for imported products in order that they may conform, along with domestic products,—and that was the part left out of my earlier statement—to the five year target date that I announced in December. As I indicated, an interdepartmental committee will establish guidelines to ensure an orderly and efficient transition to this new policy.

I do not want to prolong the debate. I do once again want to thank hon. members for the attention and care they gave the bill during the course of debate both in the House and during the committee hearings. I am particularly grateful for the amendment made by the hon. member for St. John's East in the committee, as well as for those moved by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and Regina-Lake Centre.

I want to close by saying that some of the amendment suggested, particularly by New Democratic Party members, have been turned down by the House on my recommendation. The reason was I thought they jeopardized the constitutionality of the legislation. Although the members of the New Democratic Party said that that did not matter and that we should try them anyway, the very reason we should not draw legislation that may be attacked in the courts was emphasized today by the hon. member for Regina-Lake Centre, who at two points in his discussion of the amendment mentioned he hoped that the minister would enforce the legislation; that he expected the minister would be in court a great deal with this legislation—I think they are his precise words. He also mentioned he hoped that the minister and the department knew what they would be up against when dealing with the private sector.

It is for the very reason that we do know what we will be up against in some instances, because we know that on occasion we will be in court, as the hon. member for Regina-Lake Centre said, because we do know there are people we will have to take to court in enforcing this legislation, that we have to draw legislation on the advice of the law officers of the Crown which is constitutional and will stand up in court. This is why we cannot accept some of the amendments that we would have accepted had we not received advice from the law officers of the Crown. As I say, there is no sense in drawing legislation which at the first opportunity will be challenged in court and thrown out.

I conclude with those remarks. It merely remains for me to say that I hope the private sector will take note of the fact that the House of Commons of Canada has unanimously seen the need for the legislation and supported it. I also hope hon. gentlemen in the other place will take note of that fact.

Motion agreed to and bill read the third time and passed.

Mr. McGrath: Six o'clock.

The Acting Speaker (Mr. Richard): Is it agreed that I call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): It being six o'clock this House stands adjourned until two p.m.

I am sure the evening recess will allow hon. members to join their Irish colleagues in the traditional observance of the anniversary of their patron saint in a most happy and friendly association. May the good Saint Patrick watch over you.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, March 18, 1971

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF DELEGATION OF LEADERS OF CONSULTATIVE ASSEMBLY OF COUNCIL OF EUROPE

Mr. Speaker: The Chair has the honour and pleasure of drawing the attention of the House to the presence in the Speaker's gallery of a delegation of leaders of the Consultative Assembly of the Council of Europe. To many of you, our distinguished visitors need no introduction as you have met them in discussions and on social occasions during the past three days. Some members of the House have also become familiar with the Council of Europe through visits to Strasbourg as members of Canadian parliamentary delegations invited to participate in meetings of their Consultative Assembly.

[*Translation*]

It is the first time that we have the honour to welcome in our Parliament the members of the Consultative Assembly of the Council of Europe.

The talks we have had with those parliamentarians devoted to the cause of a united Europe, while being members of their own national Parliament, have enabled us to get a more accurate outlook on the wonderful development of Europe today.

[*English*]

On the basis of the valuable and, I hope, mutually satisfactory experiences of the last few days, I am sure I speak for the whole House in expressing the hope that these exchanges will continue to our mutual benefit.

Some hon. Members: Hear, hear!

• (2:10 p.m.)

PRESENCE IN SPEAKER'S GALLERY OF PREMIER WILLIAM DAVIS OF ONTARIO AND CERTAIN CABINET MEMBERS

Mr. Hees: Mr. Speaker, on a question of privilege, may I draw to the attention of the House that the premier of Ontario and a very important delegation—

Mr. Speaker: Order, please. May I be allowed to bring to the attention of the House the presence in the Speaker's Gallery of another very distinguished group, the newly named premier of the province of Ontario, the Hon. William Davis, who is accompanied by very distinguished and senior members of his cabinet.

Some hon. Members: Hear, hear!

Mr. Speaker: It is the hope, I am sure, of all members of the House that their deliberations in Ottawa will be beneficial to Ontario and to the people of Canada.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

[*Translation*]

Third report in both official languages of Standing Committee on Veterans Affairs—Mr. Legault.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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BILINGUALISM AND BICULTURALISM

FINAL REPORT OF COMMISSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Under Standing Order 43, Mr. Speaker, I request the unanimous consent of the House to move a motion concerning a question of vital importance.

It has to do with an announcement by the Royal Commission on Bilingualism and Biculturalism which, after consideration of subjects dealing with the Supreme Court, Parliament, arts and culture, mass media and political equality, has decided not to make any report on those subjects, report which was to be submitted to the Secretary of State and, through him, to the House. That decision of the Commission is contrary to the instructions of the Governor in Council as formulated in the terms of reference of the Commission as well as to those of the House which has voted the required credits enabling the Commission to carry on its inquiry—

Mr. Speaker: Order. Again, I must object to the way the motion is moved by the hon. member. Yesterday I took the liberty of mentioning to the hon. members for Sainte-Marie (Mr. Valade) and for Athabaska (Mr. Yewchuk), I believe, who were moving a motion under Standing Order 43, that they should limit their remarks to a brief indication of the urgency of the matter.

Under this order, the hon. member cannot express views on the substance of the matter for which he seeks consideration by the House. I therefore invite him to abide not only by the letter but also by the spirit of Standing Order 43.

Mr. La Salle: I was about to finish, Mr. Speaker. In view of the urgency of the matter, I ask the House to agree unanimously to the following motion:

That the Standing Committee on Miscellaneous Estimates be requested to inquire into the refusal of the Commission on Bilingualism and Biculturalism to print and publish its final report, and to report to the House on or before May 31, 1971.

Mr. Speaker: The House has heard the motion presented by the hon. member for Joliette (Mr. La Salle) pursuant to Standing Order 43. A motion of this kind requires

the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I too should like to see unanimous consent of the House to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Very briefly, because of the tragic plight of 146,000 Canadians who have been unemployed for four to six months and the fact that 117,000 Canadians have been out of work for more than six months compared with 61,000 a year ago, I should like to move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the House urge the government to immediately introduce some short-term, though temporary, changes in the Unemployment Insurance and the Canada Assistance plans to help alleviate the immediate and devastating hardship confronting these thousands of Canadians from all walks of life.

Mr. Speaker: The House has heard the motion proposed under the terms of Standing Order 43 by the hon. member for Gander-Twillingate. If the hon. member's motion is to be put to the House at this time the unanimous consent of the House would be required. I have to inquire whether there is unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity. The hon. member's motion cannot be put.

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ENVIRONMENTAL POLLUTION

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. Speaker: The hon. member for Esquimalt-Saanich, seconded by—may I inquire who the seconder of the motion is?

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, the seconder is the vice-chairman of the committee, the former mayor of Toronto. I am afraid I cannot remember his riding.

An hon. Member: Who is he?

An hon. Member: Does he have a voice?

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Anderson moved that the second report of the Special Committee on Environmental Pollution presented to the House on Friday, March 12, 1971, be concurred in.

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

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, as chairman of the Standing Committee on National Resources and Public Works I want to put on the record the request that any hearings that are held by the Special Committee on Environmental Pollution on the west coast of Canada do not in any way involve policies connected with the National Energy Board which reports to our committee.

Mr. Woolliams: What superfluous nonsense!

Mr. Hopkins: It has been the desire of our committee for some time to go to western Canada for hearings with the oil and resource people there, and I think it is very important that this be done. So long as there is no interference with the estimates of the National Energy Board, I am willing to concur in this motion.

Mr. Anderson: Mr. Speaker, if the hon. member will read the motion I believe he will find that that assurance is inherent in it.

Mr. Speaker: Order, please. The hon. member had the opportunity to speak when the motion was put. I bring to the attention of the House that this is a debatable motion. Any hon. member who wishes to do so may speak on the motion. I have no intention of course, of provoking a debate on this matter, but from the interventions by hon. members which I heard I gather there was some misunderstanding of the situation. The motion is properly before the House and is debatable and can be voted upon. The hon. member for Esquimalt-Saanich had an opportunity to make a statement when the motion was put. I am prepared to put the motion now unless other hon. members want to take part in the debate.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, there will be a time and a place for a debate on this particular issue. We do not think this is the time nor the place. It is quite obvious from the fact that the motion was not unanimously presented by the committee that there should be an opportunity for the committee to review its decision and to decide on the terms of reference. For that reason I wish to move that this debate be adjourned.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried on division.

Motion agreed to.

• (2:20 p.m.)

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-25, an act respecting Canadian National Environment Week, with amendments, to which the concurrence of this House is desired.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT—FURTHER MEASURES TO STIMULATE ECONOMY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the Minister of Finance who is supposed to be here today. I hope he has not suffered the same unfortunate fate as his white paper on tax reform. Perhaps I can direct the question to the Prime Minister. Is the government now considering further methods to stimulate the economy, such as a reduction in taxation, particularly in view of the fact that the seasonally adjusted rate of unemployment for the month of February has shown no reduction compared with January, indicating clearly that the economy has not turned the corner that the Minister of Finance has been talking about for a number of months, and can the Prime Minister indicate—

Mr. Speaker: Order, please. I assume the hon. gentleman is coming to his question soon.

Mr. Stanfield: I asked the question to start with, Mr. Speaker. I ask the Prime Minister whether in view of these facts the government is considering further methods to stimulate the economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I disagree with the premise of the question asked by the Leader of the Opposition and therefore I cannot announce any further measures of stimulation now. The premise of his question is that the economy has not turned the corner. On the contrary, all available statistics do indicate that the economy is growing at an accelerated rate since last fall. The gross national product increased at a seasonally adjusted rate of 6.4 per cent in the last quarter of 1971, compared with the long-term average of 4.9 per cent, and the index of industrial production rose sharply by 1.1 per cent in January compared with the normal increase of .5 per cent.

Mr. Stanfield: Mr. Speaker, has the Prime Minister considered the fact that employment in manufacturing, for example, between January and February rose only at the normal rate? In particular, I would ask him whether or not he is prepared to undertake some measures with respect to those who have been out of work for more than four months in view of the fact that more than a quarter of a million Canadians have now been out of

work for more than four months, some 40,000 more than in January and over 100,000 more than in February, 1970?

Mr. Trudeau: Mr. Speaker, we deplore this regrettable situation but there again the hard-core unemployment to which the Leader of the Opposition refers has fallen slightly on a—

Mr. Stanfield: On a what?

Mr. Trudeau: —seasonally adjusted basis.

Mr. Stanfield: Mr. Speaker, I certainly cannot accept that assertion. In view of the admission of the Minister of Manpower and Immigration that his most optimistic forecasts of employment for students this summer will fall well short of the demand and in view of the rate of unemployment for those under 24 years of age exceeding 13 per cent, I ask the Prime Minister again whether the government now proposes to take any additional measures to assist those under 24 years of age who are not students so as to offer them some prospect of obtaining work?

Mr. Lang: On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. The minister is rising on a question of privilege.

Mr. Lang: I should like to indicate to the Leader of the Opposition that in indicating something which he suggests I said he is not stating the facts. I want to bring that to his attention so that matter will be clear.

Mr. Stanfield: With all due respect, Mr. Speaker, that is not a question of privilege; it is simply an assertion. I repeat my question. In view of the admission of the minister that his most optimistic forecast of student employment will not exceed 900,000 whereas the number seeking employment will reach approximately one million and in view of the rate of unemployment among non-students under the age of 24 exceeding 13 per cent, will the Prime Minister and his government be taking any measures to assist those who are not students to get work?

UNEMPLOYMENT—SEASONALLY ADJUSTED RATE ACCEPTABLE TO GOVERNMENT—MEASURES TO EXPAND ECONOMY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that the figures published today by the Dominion Bureau of Statistics indicate that the government's policies have had no effect so far in reducing the number of unemployed, either actual or seasonally adjusted, and in view of the statement of the Prime Minister, as reported in the Toronto *Star* on February 24 last to a $50 a plate dinner in Montreal that unemployment is something Canadians will just have to learn to live with, I want to ask the Prime Minister if we can now assume that the government is prepared to settle down to a seasonally adjusted rate of 5½ per cent to 6 per cent per year?

Right Hon. P. E. Trudeau (Prime Minister): If the Leader of the New Democratic Party is saying that this should be the aim—

Mr. Stanfield: Oh, come on, now.

Mr. Trudeau: —to have a seasonally adjusted rate of 5½ to 6 per cent, we are prepared to consider in what way it can be applicable in Canada.

Mr. Douglas: The Prime Minister is not debating with students now. He is in Parliament.

Some hon. Members: Hear, hear!

Mr. Douglas: I ask the Prime Minister a direct question. In view of the government's policies not having succeeded in reducing unemployment, does the government intend to further expand the economy in order to reduce unemployment? What steps does the government have in mind at this time in order to accomplish that objective?

An hon. Member: Not just expand the government.

Mr. Speaker: Order, please. I will allow the Prime Minister to reply to the question asked by the hon. member for Nanaimo-Cowichan-The Islands but it is a very general question. That member is inviting the Prime Minister to indicate what steps the government will take to achieve such and such an end. Normally this type of question might be replied to by way of a general statement, but the Prime Minister might be allowed to answer briefly the question asked by the hon. member.

Mr. Trudeau: Of course, I again disagree with the Leader of the New Democratic Party. The steps we have taken are effective, and I have given some indices of that a moment ago. If the Leader of the New Democratic Party wants some more figures I could indicate to him—

An hon. Member: That won't feed the hungry.

Mr. Trudeau: —that exports are remaining at a high level—

Mr. Hees: Exports are down 3½ per cent this year and manufactured products are down 5½ per cent. Don't give us that nonsense.

Mr. Speaker: Order, please. The hon. member does not have the floor at the present time. He tried to help the Chair yesterday and I ask him to continue in the same way today. The hon. member for Nanaimo-Cowichan-The Islands on a supplementary.

Mr. Douglas: I was asking the Prime Minister what steps the government is going to take to reduce unemployment. I point out to the Prime Minister that the unemployment figures since the government started its program—

Mr. Speaker: Order, please. I suggested to the hon. member that normally this question ought to be replied to by way of a general statement. The right hon. gentleman answered the question to some extent in the way that is ordinarily the procedure on motions. I do not think that a general statement, which would be required in order to answer the hon. member's question, should be made at this time.

Mr. Douglas: Mr. Speaker, I will be very succinct. Since the unemployment figures for the month of February this year are 149,000 higher than they were when the government started its expansionary program, may I ask whether the government is satisfied with that figure and if it considers that this is reducing unemployment?

Mr. Speaker: Order, please.

[*Translation*]

UNEMPLOYMENT—MEETING WITH REPRESENTATIVES OF UNIONS AND INDUSTRY TO FIND SOLUTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

In view of present unemployment, and I shall spare you the figures which have been discussed sufficiently, I should like to ask the Prime Minister whether he would consider calling an emergency meeting of the representatives of all sectors of the economy, namely the unions and the employers, to try to find a solution.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would not be averse to that suggestion, if I thought it would be useful; but as I have indicated to the House repeatedly, as the Minister of Finance has done also, since last March the government has taken a series of steps intended to alter the course of the economic policy applied until then. Some time must elapse before those steps can be fully efficient. Naturally, indications of progress must be taken into account; I have just mentioned a few to the House and I feel they are real.

UNEMPLOYMENT—SUGGESTED PAYMENT OF SALARY TO STUDENTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister.

In order to help the unemployed to find work and not to interfere with students looking for summer jobs, does the government intend to pay the students an allowance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we already have measures to help students in a less direct way. As we know, loans to students are financed with the money paid by taxpayers to the federal government. In so far as allowances are concerned, I think that the hon. member will acknowledge that it would be rather ticklish for the federal government to intervene directly in the field of education, which comes under the jurisdiction of the provinces. The provinces obviously have the means of changing their academic system if they do not want students to be unemployed in summer. Instead of granting them a special allowance, they could keep them studying all year instead of turning them loose on the labour market. The federal government does not have the power to change the academic year for the provinces.

[*English*]

Mr. Baldwin: On a point of order, Mr. Speaker, it is these long answers by the Prime Minister and other ministers—

Some hon. Members: Oh, oh!

Mr. Baldwin: —which invite the kind of questions Your Honour has ruled out of order.

Mr. Diefenbaker: Absolutely.

Mr. Baldwin: I suggest, respectfully, that the Prime Minister should not be allowed to do so, particularly when his answers are misleading.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

[*Translation*]

UNEMPLOYMENT—SUGGESTED EXTENSION OF ACADEMIC YEAR

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Prime Minister answered clearly enough a question which I trust was sensible, and I would now ask him whether the federal government which has no business in provincial affairs, in the education field, could not suggest to the provinces that they do what he suggested a few moments ago?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, some universities in certain provinces have already considered the matter. I make my answers public in this House; perhaps provincial authorities will take into consideration this suggestion which, after all, is not totally new. This practice is followed in some countries.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a supplementary question to the Prime Minister. As the 782,000 people who are today drawing unemployment insurance are out of work and are willing to work but are unemployed, does the Prime Minister not consider this to be a very serious situation and one that merits the government taking measures to stimulate the economy and overcome this serious problem?

Mr. Speaker: Order, please. The hon. member for Malpeque.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. The Chair is not prepared to allow the Prime Minister to reply to a question which in my view is not in order. It is strictly an argument, not a question.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair recognizes the hon. member for Malpeque.

Inquiries of the Ministry

UNEMPLOYMENT—RENEGOTIATION OF PRINCE EDWARD ISLAND DEVELOPMENT PLAN BY FEDERAL AND PROVINCIAL GOVERNMENTS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion may I direct my question to the Prime Minister. Has there been any request yet from the government of Prince Edward Island to renegotiate the existing comprehensive development plan agreed upon by the two governments inasmuch as unemployment in Prince Edward Island has now reached more than 11 per cent of the labour force and our economy seems to be contracting rather than expanding?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if such negotiations are under way they would be under way with the minister and not with myself. I can only take notice of the question on his behalf.

RATE OF HARD-CORE UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like the Prime Minister to clarify a statement he made. Would he clarify what he meant when he said that the rate of what he called hard-core unemployment had fallen in some seasonally adjusted sense?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The figures I have indicate that the share of hard-core unemployment as a percentage of total unemployment fell on a seasonally adjusted basis in January.

An hon. Member: From what to what?

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct my question to the Prime Minister. Since over the last 11 months the seasonally adjusted rate of unemployment has varied from a low of 5.6 per cent to a high of 8.2 per cent, can we take it that it is government policy to accept an unemployment rate of 5.5 per cent to 6 per cent for the future?

Mr. Speaker: Order, please. That question was asked a moment ago.

UNEMPLOYMENT—AMENDMENTS TO LEGISLATION TO ASSIST THOSE OUT OF WORK MORE THAN SIX MONTHS

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. Very simply, could I ask the Prime Minister whether, since the hard-core unemployed who have been out of work for more than six months have increased by 92 per cent over the period of one year, there is anything at all that he can tell the House which would be of encouragement to these people in the way of amendments to existing federal legislation which could be of some benefit to them in the immediate future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage the debate seems to be on the figures of hard-core unemployment. I want to correct what I said to the Leader of the Opposition a moment ago. The fall in

the share of hard-core unemployment was from the month of January to the month of February. There has been a decline from the one month to last month.

An hon. Member: By how much?

Mr. Lundrigan: Mr. Speaker, would the right hon. gentleman now answer my question?

Mr. Speaker: The hon. member for Spadina.

Mr. Lundrigan: Mr. Speaker, I wish to ask a supplementary question. While the right hon. gentleman was correcting the statistics, perhaps he failed to understand my question. It is very simple. Since 61,000 people had been out of work for more than six months one year ago and since 117,000 are now in the same boat, is there anything encouraging which the right hon. gentleman can tell the House in the way of amendments to federal legislation to give these fellow Canadians some hope for the immediate future?

Mr. Speaker: I suggest to the hon. member for Gander-Twillingate that this is the type of question that was asked a moment ago. The hon. member is inviting the Prime Minister or a government member to make a statement of a very general nature. That kind of statement should normally be made on motions.

Mr. Lundrigan: Mr. Speaker, I was simply referring to the Unemployment Insurance Act and the Canada Assistance Plan. I am sure the right hon. gentleman is familiar with those specific bits of legislation. I was hoping for a simple yes or no response.

UNEMPLOYMENT—SUGGESTED EMERGENCY CONFERENCE WITH PROVINCES

Mr. S. Perry Ryan (Spadina): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In order to get the country's economy going again, is the government considering convening an emergency conference with the provinces to discuss full employment and growth targets for 1971 budgeting?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. Such a conference is not contemplated at this time. I must repeat that I disagree with the premise of the question. I think that all the economic indicators show that the economy is moving.

Some hon. Members: Oh, no!

Mr. Speaker: Order, please. I see that 12 or more hon. members are seeking the floor for the purpose of asking supplementary questions. Hon. members must decide soon whether they want to take up the entire question period with this one subject. I am not sure whether that is what hon. members would want or that it would achieve the purpose intended by hon. members. I suggest also that individual members should not ask too many supplementary questions. If we spend the whole 40 minutes on the one subject and if one hon. member asks too many supplementary questions, we will not get around to all hon. members who seek the floor on the same subject. For the moment the hon. member for Spadina has the floor.

Mr. Ryan: Will the Prime Minister consider a conference of all governments in Canada and all levels of business and labour on growth and productivity planning, for the sake of the country?

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THE CANADIAN ECONOMY

NEGOTIATIONS BY GOVERNMENT TO ACQUIRE CONTROLLING INTEREST IN HOME OIL

Mr. Max Saltsman (Waterloo): I wish to direct a question to the Prime Minister with reference to Home Oil. Can the Prime Minister bring the House up to date on how the negotiations for the purchase of Home Oil are proceeding? Also, when will he be in a position to make an announcement?

Right Hon. P. E. Trudeau (Prime Minister): I cannot say, Mr. Speaker. Negotiations have not reached any further stage than what was reported some days ago by the Minister of Energy, Mines and Resources. Consequently I cannot state any date when we will be able to make any final announcement.

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OFFICIAL LANGUAGES ACT

CHALLENGE OF CONSTITUTIONALITY BY FORMER PRESIDENT OF EXCHEQUER COURT

Right Hon. J. G. Diefenbaker (Prince Albert): My question is for the Minister of Justice. What is the present position of the proceedings taken by the government of Canada to prevent the Hon. Joseph Thorson, former member of the Canadian cabinet and former President of the Exchequer Court of Canada, from challenging the languages bill on the grounds that it is unconstitutional?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I understand that the matter is before the Supreme Court of Ontario.

Mr. Diefenbaker: Mr. Speaker, I asked what the present position is. In view of the statements made by the minister and by the Prime Minister when the bill was before the House that the legislation was constitutional and that there was no question about it, why are you trying to prevent a challenge being made as to the constitutionality? Are you afraid of the result?

Mr. Speaker: Order, please. I assume that question was directed to the Chair.

Mr. Diefenbaker: No, Mr. Speaker. I am asking the reason why this is being done. I should not have said "you", I should have said "him". May I now get an answer in proper form? What are you afraid of?

Mr. Hees: What is he afraid of?

Mr. Speaker: Order, please. "Him" is out of order.

ADMINISTRATION OF JUSTICE

SUGGESTED INVESTIGATION OF ACTIVITIES OF STUDENT EMPLOYMENT EUROPE

Mr. Eldon M. Woolliams (Calgary North): I wish to direct a question to the Minister of Justice. Will he investigate a group called Student Employment Europe which entertained 702 applications from students across Canada for employment in Germany? The two parties involved in Montreal cannot be found. There has been $11 paid by these students, and I understand that applications are still being sent in. In view of the seriousness of the matter to the students affected and the suggestion that there may be something fraudulent, will the Minister of Justice look into the matter?

Hon. John N. Turner (Minister of Justice): I will look into it, Mr. Speaker. It may be that the matter does not fall within the purview of the federal Attorney General. I do not know whether "him" will be allowed to answer the right hon. member for Prince Albert.

Mr. Speaker: Order, please.

Mr. Diefenbaker: I would very much like to have an answer.

Mr. Speaker: Order, please. I think things are getting a bit confusing. The hon. member for Calgary North has a supplementary.

Mr. Diefenbaker: The reason is that the government are afraid of the result.

Mr. Woolliams: I have a supplementary question for the Minister of Justice. In view of the fact that the minister's colleague, the Minister of Manpower and Immigration, became involved and made a statement, as recorded in *Hansard,* with reference to this matter and at that time promised to give some information and as this is a matter of administration of justice, I think the Minister of Justice should inquire either through the Attorney General of Quebec or on his own behalf. When I used the figure of $11, that was $11 each for the 702 students.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I did say that I was going to look into the matter.

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NATIONAL SECURITY

REPEAL OF PUBLIC ORDER (TEMPORARY MEASURES) ACT —PERMANENT LEGISLATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Prime Minister.

Mr. McCleave: Oh, him.

Mr. Fairweather: It will be an easy question. Now that the premier of Quebec has reassured potential United States investors and the rest of us that political conditions in Quebec have become stabilized, will the government repeal the Public Order (Temporary Measures) Act before its expiry date on April 30 next?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): As I said before, Mr. Speaker, if the government of Quebec were to request such repeal we would have to give it very serious consideration. The premier of that province has not made that request that I know of, even in New York, and he certainly has not made it in Canada.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question. In view of the answer of the Prime Minister, why is he suggesting that permanent legislation be proceeded with along the same lines if he is leaving the whole matter to provincial jurisdiction?

Mr. Trudeau: Mr. Speaker, the answer is that we are not leaving the whole matter to provincial jurisdiction. As the hon. member knows, the War Measures Act and its substitute legislation were under federal jurisdiction. The conditions under which it was invoked did follow from a certain set of circumstances presented to us by the province of Quebec and the city of Montreal, circumstances of which we took cognizance.

Mr. John Burton (Regina East): I have a supplementary question for the Prime Minister. In view of the previous exchange with the hon. member for Fundy-Royal, is the federal government taking any initiative in discussing the subject of the possible withdrawal of the Public Order (Temporary Measures) Act with the province of Quebec?

Mr. Trudeau: Mr. Speaker, the subject has been discussed between the premier and myself and perhaps between other ministers from time to time.

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GRAIN

PRAIRIE GRAIN STABILIZATION PLAN—REQUEST FOR DISTRIBUTION OF TRANSITIONAL PAYMENT TO WESTERN FARMERS

Mr. A. P. Gleave (Saskatoon-Biggar): I wish to direct a question to the minister in charge of the Wheat Board. Since the minister has announced that $100 million is to be distributed to western farmers and as this amount is no longer specifically tied to the basic principles of the grain stabilization plan, will the minister take immediate action to distribute this amount of money through an estimate or some other procedure?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we are working very hard on the legislation required for the totality of the changes anticipated in the area of the grains industry. This will be a part of that operation. I hope the legislation will be before the House and passed into law very quickly.

Mr. Gleave: Is it not possible for the minister to make this distribution separate and apart from the stabilization plan in view of the fact that it is no longer tied to the stabilization plan through any mathematical equation?

Mr. Lang: Mr. Speaker, it is still very much a part of the total proposal which we are putting forward. It seems to me that this is the most appropriate course to follow.

Mr. S. J. Korchinski (Mackenzie): Will the minister still be receptive to any changes in the amended grain receipts stabilization proposal, which he made to the House the other day, prior to introduction of the bill or is this the third and last call?

Mr. Lang: I expect this legislation to be before a committee of the House in due course. Naturally, as is the case with all ministers, I will want to listen to every reasonable suggestion from all sides.

PRAIRIE GRAIN STABILIZATION PLAN—SHARING OF COST OF MINIMUM RESERVE—TWO-PRICE SYSTEM

Mr. Les Benjamin (Regina-Lake Centre): In view of the commitments of the minister's party in 1963 and 1965 and the subsequent yearly requests by the farm organizations and members of the opposition, is the minister now prepared to agree to the most recent request of the Saskatchewan Wheat Pool to add to his proposals a sharing of costs of a minimum reserve of grain and a two-price system?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the question of the total position of the agricultural community is one, of course, which is always before us. The particular proposal with regard to storage is one which I believe has some serious technical defects attached to it. I could remind the hon. member that when the elections to which he referred were held the position taken by this party did not gain full support—

Mr. Speaker: Order, please.

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AGRICULTURE

INTERPROVINCIAL MARKETING—REQUEST FOR REFERENCE TO SUPREME COURT

Mr. J. H. Horner (Crowfoot): I have a question for the Minister of Justice, Mr. Speaker. It arises out of a reply the Prime Minister gave me last Tuesday. Has the hon. gentleman decided to refer the whole matter of the interpretation of section 121 of the British North America Act, and the determination placed upon it by the Manitoba Court of Appeal, to the Supreme Court of Canada?

Hon. John N. Turner (Minister of Justice): I should like to take a look at the judgment before deciding to do anything.

Mr. Horner: A supplementary to the Minister of Agriculture. Since the Minister of Justice has not yet considered the judgment handed down last Friday, and having regard to the stalemate in the agricultural committee, is he prepared to allow the committee to proceed to examine the estimates of his department and stand the proceedings on the bill until the Minister of Justice has decided whether or not to refer the whole question to the Supreme Court of Canada under section 55 of the Supreme Court Act?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker.

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REGIONAL ECONOMIC EXPANSION

NEWFOUNDLAND—INQUIRY AS TO NEW INITIATIVES

Mr. James A. McGrath (St. John's East): I wish to direct a question to the Prime Minister in the absence of the Minister of Regional Economic Expansion. What action does the government propose to take in view of the failure of the government's regional development policy to create jobs in Newfoundland?

Mr. Speaker: Order. The hon. member will recognize that there are a few serious defects in the question. Perhaps it might be rephrased.

Mr. McGrath: Yes, Mr. Speaker, there were a few serious defects. My question is simply this: In view of the alarming rate of 15.2 per cent unemployment in Newfoundland and the failure of the government's regional development policy to create jobs there, what new initiatives can we expect from the government designed to reduce this very critical, high rate of unemployment?

Mr. Speaker: I am not sure the defects were eliminated from the hon. member's question. It seems to me the question as asked might invite a lengthy reply or perhaps a statement on motions. However, I recognize the importance of the matter and perhaps the Prime Minister or another member of the government might be allowed to reply briefly.

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Regional Economic Expansion is constantly considering new initiatives and discussing them with the provinces.

Mr. McGrath: Would the government be prepared to consider providing the province of Newfoundland with long-term, interest-free loans similar to those provided to Nigeria and Zambia?

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PUBLIC SERVICE

INQUIRY AS TO REPORT ON REVIEW OF STAFF RELATIONS ACT

Mr. Jack McIntosh (Swift Current-Maple Creek): My question is for the Minister of Manpower and Immigration. Is it the minister's intention to make public the results of the review of the Public Service Staff Relations Act now being conducted under his direction and, if so, when can the House expect a report on this review?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The intention is that the review should lead to certain conclusions by the government on a course of action which may involve legislation. I do not want to name a date by which the results of any such consideration may be presented to the House.

[*Translation*]

LABOUR CONDITIONS

UNEMPLOYMENT—RELEASE OF MONTHLY FIGURES BY BUREAU OF STATISTICS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, a few days ago the hon. member for Gander-Twillingate was inquiring about the dates of releases on labour.

I read yesterday in *La Presse* an article from Mr. Claude Beauchamp who said that the government prescribes time limits to the Dominion Bureau of Statistics.

I want to make clear that these dates are known as early as the month of December for the following year and made public. Had Mr. Beauchamp consulted his correspondent in Ottawa, he would have known it. The dates are known in advance. For instance, the next release will be on April 15.

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[*English*]

FINANCE

INCREASE IN CHARTERED BANK CHARGES ON CURRENT ACCOUNTS—REQUEST FOR IMMEDIATE AMENDMENT TO COMBINES INVESTIGATION ACT

Mr. G. W. Baldwin (Peace River): I should like to ask the President of the Privy Council a question. In light of the statement made by the Minister of Finance yesterday that the government could do nothing about the increase in bank charges until there had been an amendment to the Combines Investigation Act, would the minister discuss with the other house leaders the possibility of bringing in an immediate amendment confined to this issue alone? I am sure it could be passed very quickly.

Hon. Allan J. MacEachen (President of the Privy Council): Yes, Mr. Speaker, I would be happy to do so. If the hon. member will raise the matter at the next meeting I will deal with it very quickly.

* * *

[*Translation*]

AGRICULTURE

INCREASE IN PRICE OF POWDERED MILK—MEASURES TO ENSURE THAT PRODUCERS BENEFIT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Agriculture.

Since the price of powdered milk was recently increased to 32 cents per hundredweight and since apparently industrial dairy producers will not according to information available, receive this full amount of 32 cents, can the minister tell us whether he knows of any means to have the industrial dairy producers benefit by this quite legitimate increase?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): The price paid to the producers by the processors in Ontario and Quebec is, of course, determined by the boards which are set up under provincial legislation. What we did was increase the value of this milk by 32 cents a hundred by increasing the value of the powder by four cents a pound. We hope that most of the benefit, if not all, will be passed on to the producers by the processors increasing the prices they pay, but we do not have any direct control over that aspect.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

As much as the minister I wish this idea would be put in a concrete form but, at present, it is not the case. Then—

Mr. Speaker: Order, please. Perhaps the hon. member would put his supplementary question.

Mr. Lambert (Bellechasse): Yes, Mr. Speaker.

Here it is: Does the minister know of any way whereby industrial milk producers could benefit these 32 cents?

[*English*]

Mr. Olson: I do not know of any legal action we can take. I am sure, though, that the producers who are represented by those who make decisions on these boards could make their wishes known to those boards.

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GRAIN

PRAIRIE GRAIN STABILIZATION PLAN—EFFECT ON ACTIVITIES UNDER PRAIRIE FARM ASSISTANCE ACT

Mr. R. N. Thompson (Red Deer): I should like to ask the Minister of Agriculture whether or not the new farm stabilization program is intended to absorb PFAA or whether it will continue this year as a separate entity?

Hon. H. A. Olson (Minister of Agriculture): I believe, and I have said so publicly, that there ought to be some major changes in PFAA when the grain stabilization program goes into effect. I have not yet made known the details of those major changes.

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INDUSTRY

SHOES—MEETING WITH MANUFACTURERS—GOVERNMENT ACTION

Mr. Max Saltsman (Waterloo): I should like to direct my question to the Minister of Industry, Trade and Commerce. It has to do with a question I asked some time ago about the shoe industry. At that time the minister told us he intended to meet with representatives of the industry. He also informed us he was considering some statistical information. I should like to ask whether he has yet held this meeting and whether there is sufficient information at his disposal now to enable him to reach a decision about the future of the shoe industry which presently is in grave distress?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The hon. member is quite right. We are trying to develop statistics which would give us a better idea of the areas in which the penetration of imports is affecting the Canadian shoe industry most seriously. Unfortunately, the statistics have been somewhat delayed, in great part because of lack of information from some members of the industry. I have made a supplementary plea to these gentlemen and I hope it will be successful.

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WELFARE

REQUEST THAT DATE OF CONFERENCE WITH PROVINCIAL MINISTERS BE ADVANCED TO DEAL WITH EMERGENCY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is directed to the Minister of National Health and Welfare. Having regard to the fact that increasing unemployment will seriously affect the adequacy of welfare funds, would the minister consider advancing the June date of the federal-provincial conference of welfare ministers so as to deal with the emergency immediately?

Hon. John C. Munro (Minister of National Health and Welfare): The meeting of welfare ministers is slated for May, Mr. Speaker, not June.

* * *

LABOUR CONDITIONS

RATE OF HARD-CORE UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister whether he would agree to make a further correction to an answer he gave me, in addition to the correction he has already made. I refer to his statement that the percentage of hard-core unemployed was a smaller percentage of the total number of unemployed in February than it was in January of this year, whereas in fact the percentage of hard-core unemployment rose from 33.7 per cent of the total unemployed in January to some 39 per cent in February.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I do not think a correction is necessary. I was referring to the seasonally adjusted figures and percentages, a practice which the Leader of the Opposition has himself followed regularly in the summer and fall months of last year.

Mr. Stanfield: May I ask the right hon. Prime Minister to very briefly give the House the seasonally adjusted number of hard-core unemployed for the months of January and February of this year? This is an index which is not available to the rest of us.

Mr. Trudeau: Yes, Mr. Speaker. It has decreased from 43.2 per cent in January to 41.9 per cent in February.

Mr. Stanfield: What are the figures on the basis of which you give these percentages?

[Mr. Saltsman.]

Mr. Gilbert: I have a supplementary question for the Minister of Justice.

Mr. Stanfield: Mr. Speaker, I am asking the Prime Minister to give us his figures—

Mr. Speaker: Order, please. I have recognized the hon. member for Broadview who has already started to ask his question. I will return to the Leader of the Opposition in a moment.

UNEMPLOYMENT—REQUEST THAT VAGRANCY SECTION OF CRIMINAL CODE NOT BE USED AGAINST TRAVELLING STUDENTS

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to direct my question to the Minister of Justice. In view of the fact that many students and other young people will be travelling across Canada this summer in part because of the government's summer program, will the minister consider rescinding the vagrancy section of the Criminal Code or advising municipal authorities not to use this section to harass these travelling students?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I cannot advise provincial Attorneys General or Crown prosecutors how they should carry out the law.

RATE OF HARD-CORE UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, will the Prime Minister give the seasonally adjusted numbers, in thousands of the hard-core unemployed for January and February of this year on which he bases his percentages?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could look up that information, assuming there is such a thing as seasonally adjusted numbers.

Mr. Hees: You said there was.

Mr. Trudeau: I do not have those figures; I do have the percentages.

Mr. Speaker: Order. The hon. member for Dartmouth-Halifax East.

Mr. Hees: A point of order, Mr. Speaker.

Mr. Speaker: Order, please. I have recognized the hon. member for Dartmouth-Halifax East, but I understand the hon. member for Prince Edward-Hastings is rising on a point of order.

Mr. Hees: Mr. Speaker, my point of order relates to the Prime Minister's statement in respect of certain unemployment percentages. I should like him to indicate how he can arrive at those percentages without knowing the figures on which they are based? Can we have an answer to this question?

Mr. Speaker: Order.

MANPOWER

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—CRITERIA FOR JOBS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Can the minister indicate to the House and to the students who will be seeking employment under the various government programs this summer what the criteria for employment will be, and can he give some assurance that financial need will be the main criterion?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it is the hope of the government that wherever possible these programs will take need into consideration. The hon. member will appreciate, however, that in some areas this may be completely impractical, but wherever it is possible, wherever it is feasible, this will be done.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct a question to the minister in connection with operation "summertime". Would the minister tell the House now, in the absence of the Secretary of State and while these two conferences of student editors are being held in Winnipeg and Montreal respecting these plans, what the plans of the government are? Will he elucidate for their benefit?

Mr. Lang: Mr. Speaker, I certainly will check with my colleague and make that information available.

Mr. Diefenbaker: Is the minister suggesting that he has not that information available now? Is that his answer? That shows the kind of co-operation we are getting.

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HOUSE OF COMMONS

INDICATION OF "APPLAUSE" IN OFFICIAL REPORT OF DEBATES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise on a point of order pertaining to *Hansard* for yesterday, March 17. On page 4347 there is a report of a reasonable inquiry by the hon. member for Témiscamingue, to which the Prime Minister replied in a partisan and political manner.

An hon. Member: Shame!

Mr. Alkenbrack: I have no quarrel or complaint in this regard. However, after the Prime Minister's response the word "applause" appears in *Hansard*. This is my point of order. Other speakers were applauded yesterday but the approbation of the House was verbally recorded. At various other intervals in the conduct of the business of the House hon. members applaud, but I have never before seen the word "applause" recorded in print in this manner.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: The traditional system of reporting in this House, and I have nothing but the highest respect for the reporters, has been the recording of the spoken words, and only that. I ask you to rule, Mr. Speaker, on this recording in yesterday's *Hansard*, which is evidence to me an attempt is being made to shore up the sagging public image of the Prime Minister in a manner inimical to our parliamentary practice.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The point raised by the hon. member is well taken. I admit that I do not read everything in *Hansard* every day, but it seems to me that this is to some extent a novel way of reporting and not a correct way of reporting. My understanding is that *Hansard* reports only the words of the speaker who has the floor, after having been recognized for that purpose by the Chair. There should be no expression of emotions recorded in *Hansard*. I should like to look a little more closely at the matter. I feel that the hon. member's point is a legitimate one, and I will look into it very closely. I thank him for drawing the matter to the attention of the Chair.

Is the right hon. Prime Minister rising on a point of order?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): On a point of order, Mr. Speaker. I only have the French version of *Hansard* here, Mr. Speaker, but in his statement, the hon. member said that I had answered in a partisan manner. I would like to know to what part of my answer he is referring—

Hon. George Hees (Prince Edward-Hastings): Translation, translation.

Mr. Trudeau: It does not matter, and for the information of the hon. member for Prince Edward-Hastings, the parliamentary reporter is listening. All I said was that the rumour about a general election mentioned by the hon. member for Témiscamingue came from opposition members. I myself heard the right hon. member for Prince Albert talk about a fall election while to my knowledge no minister has said anything about that.

[*English*]

Mr. MacInnis: Mr. Speaker, I rise on a point of order. The Prime Minister has suggested that no minister has made reference to an election. The Minister of National Defence is on record some time ago in reference to a coming election in 1972 and he carried it as far as 1973.

Mr. Macdonald (Rosedale): Mr. Speaker—

Mr. Speaker: Order, please. A ruling has to be made at some point. The hon. member has raised a matter which is relevant. While making his statement he used some qualifications or adjectives within reference to a reply

that had been made by the Prime Minister. This really was not the essence of his grievance. The essence of the grievance was the word reported in *Hansard,* and I judge that there is a valid point of order in that respect. The other point is really a side issue, and I see no point in pursuing the matter further by way of an extended point of order. The Minister of National Defence is apparently anxious and determined to rise on the point of order. I feel I must rule at the moment that there is no point of order in this respect. If the minister asserts that he has another point of order, of course it is the duty of the Chair to listen to him.

Mr. Macdonald (Rosedale): On a question of privilege, the statement I made to which the hon. member referred was that this Parliament would last for only a finite period. Not only do I say that, but the British North America Act says that as well.

Mr. Speaker: Order, please. Is the hon. member rising on his own question of privilege?

Mr. MacInnis: No, on the question of privilege brought up by the Minister of National Defence. I want to thank him for supporting the statement I made.

Mr. Speaker: Order, please. I have to intervene at this point. We have spent quite a few minutes on what I consider a very spurious point of order. I do not think there is a point of order in respect of this matter and I invite hon. members to return to the business of the House.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I am rising on the traditional Thursday afternoon point of order. I should like to ask the President of the Privy Council what the business is to be for the remainder of this week and next week?

Mr. MacEachen: Mr. Speaker, I should like to list the business we intend to call. The first order of business will be the legislation in respect of the textile and clothing board to be followed by the legislation on bail reform, young offenders, government organization, unemployment insurance and the Canada Labour (Standards) Code. I might mention that tomorrow is an opposition day and next Thursday is also to be designated as an opposition day

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question, may I ask if the order of business for Monday will be a continuation of the order the minister gave today when he named the various items?

Mr. MacEachen: Yes, Mr. Speaker.

[Mr. Speaker.]

GOVERNMENT ORDERS

TEXTILE AND CLOTHING BOARD ACT

PROVISION FOR ESTABLISHMENT, INQUIRIES, REPORTS, ADJUSTMENTS ASSISTANCE FOR WORKERS

The House proceeded to the consideration of Bill C-215, to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Ritchie (Dauphin): I move:

That Bill C-215, an Act to establish the Textile and Clothing Board and to make certain amendments to other Acts in consequence thereof, be amended by deleting subclause (1) of clause 3 in lines 6 to 9 at page 2 thereof and substituting therefor:

"(1) There shall be a board to be called the Textile and Clothing Board, consisting of five members to be appointed by the Governor in Council.

(2) The Lieutenant Governor in Council of each province may nominate a person to be appointed under subsection (1) and the Governor in Council shall so appoint four of such persons, or so many of that number as is possible, of whom only one may be a person nominated by any of the Lieutenant Governors in Council of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick, only one a person nominated by the Lieutenant Governor in Council of Quebec, only one a person nominated by the Lieutenant Governor in Council of Ontario, only one a person nominated by any of the Lieutenant Governors in Council of Manitoba, Saskatchewan and Alberta, and only one a person nominated by the Lieutenant Governor in Council of British Columbia."

and by renumbering subsequent subclauses accordingly.

In presenting this amendment, which I hope the minister can accept, I am optimistic that it will bring a measure of equity to all areas of Canada in respect of the functioning of this textile board. Prior to the formation of the textile and clothing board, it has been the duty of the Department of Industry, Trade and Commerce to advise the minister of that department concerning the use to be made of tariffs, quotas and surtaxes. As a result of the make-up of the public service a certain measure of regional representation occurred because the staff was drawn from all parts of Canada. However, this new board, composed only of three members appointed at large by the government, will have the effect of being the decision making body responsible for advising the minister on the conduct of the Department of Industry, Trade and Commerce in applying this protectionist apparatus.

Naturally, this board will be dealing largely with that segment of the industry which feels itself disadvantaged and which will be claiming injury. As a consequence, it is unlikely that the board will be fully in tune with the needs or the other features that go to make up all the decisions that the board must come up with and pass on to the minister. To bring a broader representation to this board, I would suggest, in keeping with the regionalism of our country, that the members be drawn from within the five regions of Canada, namely the Maritimes, Quebec, Ontario, the Prairies and British Columbia. I suggest that at any one time four of these regions would have to be represented which in effect would mean that the normal representation might be, for instance, one member from

the Maritimes, two members from Quebec, one member from Ontario, one member from the Prairies, and no member from British Columbia. In effect, we could always expect the two central provinces to have three members out of five and I would assume, with over 60 per cent of the textile industry centred in Quebec, this province would have two members indefinitely.

I put forward this amendment because I believe that, in general, government boards composed of a few members drawn from the central part of Canada have worked to the detriment of the peripheral areas. I should like to point out, as an example, that the Canadian Dairy Commission, with three appointed members, has concentrated on the dairy industry in Central Canada, in Ontario and Quebec, to the detriment of the western dairy industry. Now, the western dairy industry is relatively small in relation to the sum total of the dairy industry, of which 85 per cent is concentrated in Quebec and Ontario. The Canadian Dairy Commission originally contained a representative from western Canada. However, this has not been the case for some time. I believe the absence of such a representative has worked a definite hardship on cream producers and users in that part of our country.

Before the creation of the Canadian Dairy Board, the Prairies were cream surplus areas. The policy of the Dairy Commission has, however, made it a cream deficient area. This was done by manipulating the quotas on the basis of a ruling that the small cream shippers were inefficient producers. The bulk of western cream shippers were all small operators and the Dairy Commission cut off their subsidies by means of the quota system, transferring the quotas to central Canada. From a western viewpoint, it is a situation that makes little sense. The western dairy industry is hamstrung through lack of quotas and subsidies, while the western consumer not only helps subsidize Quebec dairy producers but has to pay the cost of bringing Quebec subsidized dairy butter to the west.

So, Mr. Speaker, I believe this amendment, if accepted by the government, would help bring about a more realistic approach to the textile and clothing field which the textile manufacturing industry completely dominates. The proposed textile and clothing board makes little sense because it is in the interests of the textile industry to have most foreign textiles excluded from Canada. We heard from the textile manufacturers themselves who feel their industry is as efficient as any in the world. Indeed, they did not offer much real hope that a textile board would come up with many ideas to make their industry more viable. The industry also pays the highest wages in the western world even compared to the United States, which makes it very obvious that the industry cannot expand beyond its present maximum operation. In order to give a wider representation to the various regions in Canada, and to the various interests in Canada, I believe that this board would have its usefulness and acceptance increased if it were to be enlarged in the manner which I have proposed.

Mr. Cliff Downey (Battle River): Mr. Speaker, it is a pleasure for me to speak on the motion of the hon. member for Dauphin (Mr. Ritchie) in respect of the textile bill, Bill C-215, concerning the enlargement of the regional representation on this board to include all parts of Canada. I believe it is very important, at this stage of the country's development, that we establish the principle that all regions shall be equally represented.

• (3:20 p.m.)

The textile industry is, of course, a national industry, but at present 60 per cent of the employment in the industry is located in the province of Quebec, 30 per cent in Ontario, and around 10 per cent is distributed over the rest of Canada. It would seem that any extra protection afforded to the industry will primarily benefit people located in areas where there is a preponderance of the industry. It has become evident from the evidence presented to us, and from the representations of the minister, that this textile bill, if enacted in its present form, will effectively put the control of the textile imports in the hands of the board. It really is a non-tariff barrier situation at which we are looking. No tariffs will be imposed on the import of textiles, but in effect this bill makes a licence to import textiles into Canada a requirement and the granting or withholding of this licence could effectively control imports.

I suggest that in all likelihood the setting up of barriers of this nature could undermine the very good trade relationships that we have with many countries. An item appeared in the *Globe and Mail* of last Saturday, I believe, in which reference was made to Canada's trade with Korea. It reads:

> Canada exported to Korea $18.8 million of goods last year, including asbestos, wheat, sulphur, pulp, newsprints, etc. Canada's imports from Korea in 1970 amounted to $15.8 million. The most important import items from Korea are sweaters, garments, wigs, footwear, cotton, and synthetic textiles, etc.

This is all very well, but I say that if our trade relations with countries such as Korea break down, the results will be detrimental to the west, more so than to the rest of the country. I have to look at this from a western point of view, because I notice that all our exports to Korea are primarily exports from western Canada such as wheat, sulphur and, to a large degree, pulp. So, I must view with some concern any regulations that would undermine our trade relations with some of these countries.

I feel, as do many, that far too great a degree of attention is being focussed on industry and too much money in general is being funnelled into the province of Quebec in comparison with the rest of Canada. It has been intimated that the textile industry is in a great deal of trouble, but that industry has continued to show a fair growth through the years. In fact, if you read the Canadian Imperial Bank of Commerce commercial letter, issue No. 6, you will find that in reality it is in a very healthy condition; the growth has been considerable over the last ten years.

If you go back to 1951 and look at the growth that has been evident in the agricultural sector in the same period of time you will see there were 623,000 farms in Canada. In 1961, there were 487,000. In 1966, there were 430,000, and the estimates are that in 1980 there will be only

315,000 farms. Last year, farm receipts were the lowest since 1955. Erosion of the dollar through inflation in the same period of time amounted to something like 45 per cent. So, we are in a very difficult position with regard to farming in this period of time.

I suggest that we should be looking at some of these industries that are really in trouble so far as import restrictions are concerned, the position of which could conceivably be improved in the same way as the textile industry will be under Bill C-215. Before I go over the clippings that I have here in this regard, I suggest that this will be another definite benefit to the one area of Canada that is at present receiving the bulk of the benefits. The Montreal *Gazette* of October 2 has the following article:

PAYMENTS: QUEBEC GETS 50 PER CENT PLUS

—But although politicians and officials alike remained silent, figures were made available showing that Quebec in the current 1970-71 fiscal year, is getting $437,600,000 of the $803,400,000 total in federal equalization payments.

In the *Gazette* of February 11, we see the following statement:

Quebec gets the lion's share of the projects withdrawn from the federal public works shelf in December and activated to combat winter unemployment.

Of capital projects with an estimated total cost of $18,488,000, a total of 16 with a valuation of $16,435,000 are located in the province.

That is $16 million out of a total of $18 million. I suggest it is time we all looked at some of the problems in the rest of Canada. I do not think there is anyone here who does not want to help the textile industry if it is really in trouble, but I suggest there are many industries that are in far greater trouble than the textile industry in Canada, and we should be looking in their direction.

• (3:30 p.m.)

One area in which we have a great deal of trouble is the taxation system as it applies to our resource industries. If one really delved into the situation, one would find that one of the major reasons for the proposed Home Oil sale is the tax situation in Canada. In the United States, exploration costs or losses can be written off against income, but we do not have that provision in Canada. This is discouraging the development of many of our resource industries, and is putting them into a very difficult tax situation.

I do not intend to speak at great length on the amendment proposed by the hon. member for Dauphin with regard to regional representation on the board, but I wish to mention that at agricultural committee hearings the question of import controls was discussed. The apple industry representatives told us they did not really have any problems in Canada except those caused by imports. Representatives of that industry made this point time and time again. They said they really did not need boards or controls of any kind, except in the area of imports. In fact Mr. Bond, head of the Ontario Apple Marketing Commission, said that his province was the best market in Canada but it was being chipped at and penetrated by every other apple growing country in the world. We also heard strong representations on this point from the British Columbia apple growers and the Maritime apple growers.

[Mr. Downey.]

I appeal to the minister to look at these other areas also, particularly if he is prepared to take measures such as this to protect the textile industry. I admire the minister for protecting his home area industry, but he should look at things on a completely national basis, and particularly at the import problems being experienced by other regions of Canada. For example there is the matter of beef imports from Oceania, from New Zealand and Australia. Last year we had a situation in which Canadians ate beef imported from down under for at least one month out of the 12. Both the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of Agriculture (Mr. Olson) said the importation of this beef was a necessity. Apparently this meat is roughly equivalent to what we obtain from our canner and cutter cows, but if it had not come into Canada this fact would have been reflected in the price our producers obtained.

There is a need in this country for cheap textiles. Any consumer will agree with that statement. However, if the government is going to protect one industry in this manner I suggest it is establishing quite a precedent, and it must look at many other areas where the problems are probably ten times as great as they are in the textile industry.

Mr. Steven Otto (York East): Mr. Speaker, I noticed the minister was very anxious to get up and make a contribution to this debate. I would urge him to wait a moment because after I am through with him he might have a larger contribution to make. For a couple of years now, I have been very impressed with the status of the minister, with his smile and his confidence. But after reading this bill, and having discussed it at some length both with the minister and with others, I believe his reputation is going to be slightly tarnished. In fact, it will be a lot more tarnished three years from now when the effect of the bill will have become public, and will be acknowledged throughout Canada.

It is obvious that the minister intends to rationalize industry, and for some reason he is under the impression that he is minister of textiles. But he is not minister of textiles; he is Minister of Industry, Trade and Commerce, and that department affects everyone who manufactures, who exports, and who imports. But it may be that he wanted to get started on one little bill dealing with textiles because it seems to be the one industry in which rationalization has a great deal going for it.

Mr. Speaker: Order, please. Before the hon. member launches on the speech which he has just announced to the House I have to remind him that it is not the whole bill which is before the House at the moment, but a very specific amendment dealing with the number of directors. I appreciate the hon. member may have considerations of a general nature to impart to the House before he comes to the point, but at this stage he cannot make the speech which he might have wanted to make on second reading, or which he may want to make later on third reading.

It is the duty of the Chair to bring to the attention of hon. members that they have to respect the rule of relevancy. The Chair gathered the impression, perhaps wrongly, that the hon. member was proposing to make a rather general contribution to the debate, and that would be out of order. The hon. member would have to wait until third reading stage in order to make such a contribution.

Mr. Otto: Mr. Speaker, you just interfered at the moment when I was going to explain how and why my comments would be directly relevant to the amendment. The amendment concerns the appointments to the board. The hon. member for Dauphin (Mr. Ritchie) indicated that the board should be enlarged to include representatives from all the provinces, and I say to him that it does not much matter how large or how representative the board is if it does not have common sense legislation to deal with in the first place. Without that type of legislation, it does not much matter how efficient and how knowledgeable the board may be. I also wanted to point out that this board will be dealing with the whole subject of rationalization, which is indeed the subject matter of the bill.

As the hon. gentleman who preceded me said, it is impossible for Canada to export $18 million worth of goods to Korea and not expect to import almost an equal amount from Korea. But the relevant question is: what do we export and what do we import? I take it the minister has come to the conclusion that in this field of textiles the board would have to consider whether or not this industry is so important to Canada that imports should be reduced. Through this bill the minister is trying to rationalize the textile industry. He has said, "We will have a board." I ask, where is this board to get its information? It does not matter how large a board is, it must have some research facilities available to it; it must have some expertise, some knowledge. Where is this board to get this expertise?

• (3:40 p.m.)

The board is composed of Dr. Annis, Mr. St. Laurent and Mr. Campbell. None of the people named to the board have knowledge of the textile industry. The minister said, "They will get the information from my department. We have research facilities, we have market facilities, we have all those things—"

Mr. Pepin: Oh, come on!

Mr. Otto: The minister says, "Come on, now". I ask him specifically, if this board is to have the money to employ private research agencies and its own officers, then are we not setting up another establishment? Why do we need the minister or his department?

Mr. Pepin: What about the inquiries?

Mr. Otto: I will come to the inquiries. They will be directed to the board from people interested. At the present time, that board cannot function unless it has research and administration at its disposal. The minister says that his department will give assistance. I think that what will happen will be that his department will advise the board which, in turn, will advise the minister. Why do we need another staff. There are other reasons, of course. For example, as the minister just said there will be need of a public inquiry but I imagine this could have been done by committees of this House. Nevertheless, that is the method of rationalization. We have a committee or board which will be another step between the department officers and the minister. True, they can get information this way. Naturally, they will investigate and, as the bill states, representations and inquiries will be made to them on which they will have to rule. The board will then require the applicant to put forward a proposal.

If the applicant is in the shirt manufacturing business he will say to the gentlemen that the hon. member for Dauphin (Mr. Ritchie) wanted on the board, "I want more protection in the sale of shirts, even if they are coloured." The minister is enamoured of coloured shirts and seems to think this is the panacea for all textile problems. The minister will reply, "Suppose we do increase the tariffs, how do we know you will get back any business?" It might not be the most efficient business in Canada and the industry will have to put forward a plan on which the board will rule. Then, the minister may or may not change the law. This might be fine in the type of business that runs without too much interference from the department, but there is an element of rationalization that the minister has not considered. If an industry is told that there is hope for it if it makes some changes, then the co-operation of, not only this department but of other departments will be required. Indeed, the co-operation of a whole bevy of officials will be required to make the industry viable.

For example in the shirt business, and I stay with that because it is the one the minister used to illustrate his point—

Mr. Speaker: Order, please. The hon. member says he is going to stay with the shirt business. I think he should also give some thought to staying with the amendment, which is a very limited one and has nothing to do with what the hon. member calls "rationalization of the textile industry". It proposes that there should be five instead of three directors or members of the board. It is obvious to me that is the limit which should be placed on the debate. I do not want to be too restrictive. I know the matter is an important one and that the hon. member is anxious to put on the record the interesting thoughts which he has for the consideration of the minister. However, I wonder whether this is the right time to make these observations.

My interpretation of the rule of relevancy is that the contributions of hon. members must be limited to what is before the House. What is before the House at the moment is motion to increase the number of directors from three to five. I think if we are to follow the rules closely, we must determine whether it is better to have five directors rather than three. The hon. member knows and understands the bill much better than I do, but this is my understanding. Perhaps he might like to keep this in the back of his mind.

Mr. Horner: I wonder if I might speak on that point of order, Mr. Speaker. The whole question is correctly put as one of rationalization, of bringing in tariff protection for one region of the country. The whole idea of the amendment moved by the hon. member for Dauphin (Mr. Ritchie) is that there should be regional representation on the board so that each region of Canada would be able to consider representations for rationalization. In order to have a viable textile industry—

Mr. Speaker: The hon. member's point is well taken to the extent it refers to regional representation, but I wonder whether rationalization is relevant? The hon. member says yes, but the interpretation of the rule of relevancy left to the Chair and that is not my interpretation. In any event, I do not wish to cause serious difficulty to the hon. member. I do suggest to him, however, that he might try to limit the speech he is making. My suggestion is that he should make two speeches rather than one.

Mr. Otto: Mr. Speaker, of course I am at your mercy. It is my contention that the member's amendment dealt with an expansion of the board in order to deal with problems on a regional basis. One of the things the board is going to have to deal with is the rationalization of a particular industry. As the hon. member pointed out, in different areas it may be a different industry. In Toronto, it may be textiles or shirts but in another place it may be something else. For that reason I was going to touch briefly on the shirt business, which is the industry located in that part of the country which I represent.

Another point on which I wish to touch is why the bill does not cover many other industries so that it would have application from coast to coast. I purposely spoke on this amendment because it seemed to me the hon. member wanted a much broader representation in order to cover the various ideas of rationalization. If you feel that I am still out of order, Mr. Speaker, I shall be glad to come back on third reading.

Before you so kindly put me on the right track, I was dealing with the various aspects of rationalization with which the board will have to deal. I was putting forward an example of what I think the minister wants. It seems to me he wants a board of three members to deal with the textile industry and has chosen people knowledgeable in this field. He may say to them "There may be some hope for you if you can show a plan by which the industry can go ahead and succeed in competition with other countries." This would require the co-operation of other departments because it is not enough to say to a manufacturer, "Let's see what you can do." I think it is more in keeping with rationalization if the minister can say to the manufacturer, "Your chances of succeeding against competition in the shirt business are slim. You would be better advised to go into the manufacture of sails for boats." It is more or less the same business. Possibly $28 million worth of sails are sold in Canada annually. Their manufacture requires special training, special machines, special plants as well as markets. If money were needed, the minister could go to the Industrial Development Bank or the chartered banks and say, "Make money available." Other departments would be involved in enabling this industry to succeed.

• (3:50 p.m.)

However, that is not what the board will be doing. The regional or local board will say one thing: "Shall we pension people off at the age of 54?" That, in essense, is what the bill provides. If the amendment of the hon. member for Dauphin is accepted, the board will still be faced with decisions. It will have to say, "Shall we put in lots of work, take lots of risks, give the minister lots of advice in order to rationalize this industry and make it successful, or shall we consider the provisions of section 21 and say that everybody over the age of 54 can go on welfare." That, in essence, is what all this amounts to.

What will the board do, Mr. Speaker? Obviously, the board will take the easiest course; it will always take that course. If the board deals with the expansion of Canadian industry in that manner then, surely, we can say that this bill will not bring about an expansion of Canadian industry. The only result will be a large welfare program. The government will be introducing the concept of early retirement at the age of 54 under the guise of a textile bill instead of under the guise of an amendment to the unemployment insurance scheme or the old age pension scheme. If we do this for the textile workers, what can we possibly say to the people who work in the television and electronics tube business. They will say, "How is it that the people in the textile business can retire early, at 54, and we cannot? Is there anything sacrosanct about textile workers?" We will have to deal with that problem.

Then, the question will be asked, why cannot we do the same for those who work in the shoe and furniture business, and in just about every other business. No matter how you rationalize it, you will be putting people on welfare. If you say that this is part of a growing economy, then this is entirely beyond me. With all respect, I am sorry that an amendment was not moved to throw out a good portion of the bill. Certainly, I think that the proposed amendment, which would increase the number of board members, would not do much good. It does not much matter whether there are 20 or three representatives on that board because, as long as the essence of the bill is the reduction of opportunity, the shutting down of businesses, it will not do much good.

Hon. Walter G. Dinsdale (Brandon-Souris): Mr. Speaker, the hon. member who has just preceded me has stolen some of my thunder in some respects; I will not repeat the many excellent points he made. I want to direct my attention quite briefly and specifically to the problem of regionalism that is inherent in the bill. I presume that the minister, who is the Minister of Industry, Trade and Commerce (Mr. Pepin) and not the minister of protectionism, which would be a better description if we were to interpret his functions as outlined in this bill, is quite concerned about the regional inequity that is implicit in the legislation that is before the House this afternoon. For that reason I should think that he has already

accepted the spirit of the amendment put forward by the hon. member for Dauphin (Mr. Ritchie). I hope that when he comments on the amendment, he will indicate that it is acceptable in its present form or that he will be willing to put forward a reasonable facsimile thereof.

One of the great problems in promoting industry, trade and commerce in Canada lies in our regional disparities which are the result of our tremendous expanse of geography. It goes without saying that what is good for one part of Canada may be fundamentally bad for another part of Canada. I am sure the minister recognizes that there are very strong overtones of this situation in the legislation that he is putting before the House.

Mr. Pepin: I do not recognize that at all.

Mr. Dinsdale: The minister says he does not recognize that. I read a speech that he made recently but I do not have it before me. He made the speech in Montreal in which he interpreted this legislation, apologetically, he said that, normally, he is the Minister of Industry, Trade and Commerce and not of protectionism. He came forward with a thesis that, in essence, sounds something like this: protection if necessary but not necessarily protection. No doubt the minister has read some of the comments in that great liberal journal of free trade, the Winnipeg *Free Press*. I think that newspaper refers to this legislation as "the quintessence of protectionism". It is for that reason that I strongly support the amendment before the House. I am sure the minister will wish to recognize the fundamental principle of regionalism which is provided for in the amendment.

One may disagree about the total number of members on the rationalization board, if I may use that phrase, but I do not think the minister or anybody else in this chamber could argue that there is nothing regionally discriminatory in the legislation. Everyone in Canada is concerned about the problems that have been encountered by the textile industry. The minister surely must recognize the principle of regionalism inherent in the government's regional economic expansion program. The government should be consistent and provide for some such recognition in this legislation.

Not long ago the Prime Minister (Mr. Trudeau) visited the Pacific rim. During the course of that visit, which was intended to expand cordial relationships between Canada and its Pacific partners, the right hon. gentleman went out of his way to point out that Canada is anxious to assist in every way possible the economies of places like Hong Kong, Singapore, Korea and all other countries on the Pacific rim which are deeply involved in the subject matter of this legislation. Most of our cheap textile imports originate from this part of Asia. That is another argument as to why there should be, in season and out of season, some voice on the board which will constantly tell the minister that trade is a two-way street and that while he may be assisting one industry in one part of Canada, he may be making it extremely difficult for industry in other parts. As the hon. member for Battle River (Mr. Downey) pointed out, this legislation will add to the difficulties that have been almost inherent in the agricultural economy for the past two decades. We have been developing our markets in western Canada in an encouraging way. Our markets for grain include Japan, China and other Asian countries.

• (4:00 p.m.)

As the hon. member for York East (Mr. Otto) has pointed out, we cannot continue to export raw materials such as grain to Asia unless we are willing to import a reasonable amount. As is the case with all matters of this kind, the spirit of compromise is necessary. The minister recognized this in his speech. I am sure that he is very carefully listening to the observations that have been made in connection with the thoughtful amendment that has been put forward today. He will want to assure that built into the legislation is the recognition of what we often call co-operative federalism so that the economic, industrial and other interests of every part of Canada will be given due consideration.

This is a complex matter. I am sure the minister will recognize this. You cannot specifically legislate for all aspects of the complexities and difficulties faced by the textile industry. I imagine this is why a board is being set up to deal with the ongoing process from day to day, week to week and month to month. It is eminently fair and reasonable that every part of Canada should be recognized on this board so that we will have co-operative federalism and the spirit of compromise that is necessary. I believe the minister is a reasonable man. I hope he will accept this amendment or something similar to it. As the Winnipeg *Free Press,* another spokesman for the free trading interests of western Canada has emphasized and drawn to the minister's attention, we will then have a situation in this rationalized program that will be in the best interests of all concerned in all parts of Canada.

Mr. John Burton (Regina East): Mr. Speaker, I think it will be relevant to note at the outset whether or not all members of this House are in agreement that this bill represents a step in the right direction in dealing with the problems of the textile and clothing industry. Leaving that aside, we can discuss this amendment, along with the others to be presented, within the context of determining whether they represent an improvement in the bill.

When looking at the amendment moved by the hon. member for Dauphin (Mr. Ritchie), I must ask whether an increase in the membership of the textile and clothing board from three to five will represent an improvement, taking into account the other considerations put forward. I fail to see how an increase in membership, under the stipulations set out in this amendment, will contribute to a better performance by the board in the job assigned to it by the legislation now under consideration. As a matter of fact, I am mildly surprised that my friends in the Conservative party want to contribute to a proliferation of bureaucracy by increasing the membership of the board from three to five, and increase the staff accordingly. I repeat, I am mildly surprised that my Conservative friends would suggest a step such as this.

Coming to the real issue involved in this amendment, in my view it would be inconsistent with the principles of this bill to insert a clause into it which would force the federal government to name a board on the basis of nominations made by the provinces. This would be inconsistent with the responsibilities which we are asking this board to assume. For that reason, I fail to see how we could support this amendment. Regional concerns have been noted by a number of members who spoke in favour of this amendment. They have advanced this as the principal reason for placing this amendment before the House. I intend to deal with the question of regional concerns at the appropriate time during consideration of this bill, because it is a subject which deserves further consideration.

I fail to see how this change in the structure and composition of the board, as proposed in this amendment, will contribute to a resolution of the concerns that have been expressed by regional interests. None of the amendments propose a change in the structure of the legislation before us. Regardless of whether this or the other amendments are passed, the final responsibility for action will be left in the hands of the federal government. They have to assume final responsibility for whatever actions are decided upon. The board makes recommendations to the federal government. I feel we would be much better off with the kind of board proposed in the bill. I trust that it will take a national viewpoint when dealing with the serious problems of this particular industry.

It has been correctly noted that there are conflicts of interest involving our trade. I intend to deal with this at a later stage, including the whole question of the maintenance and development of this industry in Canada and the employment produced as a result of its existence. The interests of Canada, taking into account all these various factors, would be best served by a board which dealt with problems from a national point of view.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to speak in support of the amendment of the hon. member for Dauphin (Mr. Ritchie). I am not going to deal with the technical aspects, but rather the principle involved. We have known for a long time that trading is a two-way street. It has often been said that perhaps 80 per cent of our livelihood is obtained through our ability to trade. Trade is a very interesting part of the livelihood of many people in all parts of Canada.

• (4:10 p.m.)

It could be argued by some, I suppose, that this bill is not restrictive of trade, but such an argument will hardly stand up if we examine the measure closely. It is true, the purpose of setting up the board in the first instance is to hear inquiries and complaints. Complaints can be made under the terms of clause 8 in connection with textile imports which could be described as harmful to the Canadian industry or threatening the livelihood of its employees. The board could then take certain steps. It could establish an inquiry, or it could recommend that the importations in question be stopped immediately; it could recommend that they be stopped until the whole question could be studied by a board of inquiry, or it could recommend that certain tariff restrictions or restrictive licensing procedures be instituted.

Does all this really concern regions other than those in which textiles are produced? Let us consider what is really involved here. According to the report of the committee proceedings, No. 15, one of the witnesses, Mr. Drahotsky made certain comments with regard to aspects of this bill. He is a senior official of the department which the minister at times heads up, though at times I wonder.

Mr. Pepin: Ha, ha!

Mr. Horner: Well, the minister can laugh. I have laughed at a lot of his rationalizations, too, and I will laugh further today. At any rate this is what Mr. Drahotsky said at page 14 of committee proceedings, No. 15:

> Clause 18 on page 8 lists a number of factors which the Board is asked to take into consideration in examining the plans and making a report to the Minister. I believe that among these factors are most of those which Mr. Lambert has mentioned. They may not be spelled out in the detail that Mr. Lambert would like to see, but among the factors there is a mention of regional consideration, consumer interest, Canada's relevant international agreements and the conditions prevailing in international trade. I believe all the factors that you have alluded to, sir, are covered, perhaps in a broad sense, admittedly, in clause 18.

Clause 18 is a very detailed clause setting out the matters which the board should take into consideration. One of the members of the committee, the hon. member for Ontario (Mr. Cafik), gave an indication of what he thought clause 18 really implied. His remarks are recorded at page 23 of report No. 20 of the committee proceedings. Addressing one of the witnesses, Mr. Armstrong, president of the Canadian Textiles Institute, he said:

> I presume that "becoming internationally competitive" implies competition against Taiwan, Japan, and countries of that nature and not necessarily Britain or the United States or European countries. With that kind of provision which is mentioned not only here but elsewhere, I had in the beginning the impression that very little protection would be provided in view of that particular position which the board is asking us to take into consideration.

Mr. Armstrong replied:

> I think your interpretation, Mr. Cafik, of what Clause 18 says is quite right. These are difficult things to try to make a decision on now. Most foreign markets, for example, are closed to us for all practical purposes. At least, many of them are. The day will come, I hope, when through a general agreement on tariffs and trade or by some other method we will get better access to these markets.

He went on to say that this situation had been produced by the low cost at which goods could be produced in some areas, and added:

> It is too early to say whether or not we shall ever be competitive with Taiwan.

This is the point which concerns western Canada. Will the trade of western Canada be harmed as a result of restrictive measures instituted by this board? I would point out that Japan is fast becoming one of our most important trading partners. At the present time, Japan is

our third best customer. Figures have been placed on the record to show that Korea, China and Hong Kong are taking considerably more of our products. Sales to Japan alone now total almost $1,500 million dollars. It is true that the smaller countries buy much less, but we have to begin by acknowledging that trade is a two-way street.

The minister tells us that the whole purpose of this bill is to bring about a rationalization of the industry, rather than to restrict—

Mr. Deputy Speaker: Order. I have listened to the hon. member with interest, but it occurs to me that he might now be straying somewhat far from the motion before the House. If I am wrong, the hon. member might indicate the grounds for his disagreement but I think that at this stage of our proceedings the debate should be confined as closely as possible to the terms of the amendment.

Mr. Horner: Mr. Speaker, I was explaining why it was necessary to make provision for regional representation on the board. I was pointing out that if action was taken to protect an industry which is centred largely in Quebec, the consequences might be detrimental to the exports of western Canada. The board should include regional representatives in order that consideration could be given to this question. I am well aware that the textile industry employs some 200,000 people. Sixty per cent of the industry, though, is located in Quebec, thirty per cent is in Ontario and 10 per cent in the rest of the country. At one time 1,350 were employed in the western provinces—I say "were". If imports are restricted without consideration being given to the possible harmful effects on other regions in Canada we might be taking action which, in the long run, would be detrimental to Canada's development.

In defence of his rationalization concept, the minister says we must build a textile industry which will be viable on the international scene. The whole purpose of the board is to assist in the rationalization process, he tells us. The minister then goes on to say that in assisting in this process the board must bear in mind that we can become competitive with countries which are dealing with Europe, the United States and Britain or, rather, that we can become competitive with countries which are using highly sophisticated products from the textile industry. As reported on page 6 of committee proceedings No. 16, the parliamentary secretary read from a speech which the minister had made pointing out that at a trade fair in Frankfurt, Germany, Canadian manufacturers of textiles had received on the spot orders for goods worth $3.2 millions with prospects of further orders valued at another $20 million as a result of this single effort. He went on to make the point that it is possible to create a viable textile industry, adding: "We are therefore not presiding over the demise of a sick and ailing industry."

The point I wish to make is that a great deal of our trade in western Canada is conducted with the Pacific rim countries. We are told that these countries are the ones which are exporting textiles in quantity to Canada, and they are the very countries against which it is desired to set up protective barriers. The Pacific rim countries producer textiles and goods of low sophistication. I am wondering how the rationalization program can stand up.

• (4:20 p.m.)

First of all, we are to produce an industry which is viable on the international scene in competition with Europe, the United States and Great Britain. These countries produce highly sophisticated goods. But we are also to bring in protective measures against countries which, to use the minister's words, have a low cost of production. These countries against which we are to bring in protective measures are the countries which produce the low sophistication textile products, and the minister says we cannot possibly hope to survive on the international market if we continue to produce products of that nature. So, his rationalization falls completely flat.

On March 11, the hon. member for Vegreville (Mr. Mazankowski) asked why a highly skilled textile industry which had just laid off 350 men could not receive some help from the Department of Trade and Commerce and the minister replied that conversations had taken place and a full explanation was provided. The minister went on to say that it is not government policy to prevent the closure of a company when this is necessitated by factors of international trade, as in the present case. These were highly sophisticated companies which had tried to sell on the international market, but because they were not large enough the minister said they did not need the protection or assistance of the government and would have to close up.

Mr. Pepin: You are all mixed up.

An hon. Member: The minister is just as mixed up as he was in respect of the grain trade.

Mr. Horner: I would be delighted to hear the minister explain the rationalization of the program. I do not accept the philosophy put forward by the hon. member for Regina East (Mr. Burton) on many occasions, and certainly not on this occasion. This is a country which stretches 4,500 miles from sea to sea. Trade is a two-way street, so we cannot have a policy in which recommendations will be made concerning protective tariffs when there has not been representation from every part of Canada.

We cannot have a federal government which looks at only one part of Canada and hopes that the country will survive. We must remember that in the last two or three elections unity has been the slogan. How can we have unity when a textile board, which will bring in restrictive measures which may be harmful to certain parts of Canada, will not be comprised of representatives from all regions of Canada. I do not believe the minister is working toward unity if he does not want to give all the regions of Canada an opportunity to take part in the decisions this board will make. The minister's parliamentary secretary must find all this very ironic because he comes from an area which has been severely hurt because of a lack of tariff protection. There was a board in respect of the fruit and vegetable industry which

operated under a clause similar to clause 8 whereby inquiries could be set up and action taken to protect a failing industry. It is a little ironic that the parliamentary secretary would have to listen to this discussion and yet not be able to get protection of the type provided in this bill for his own constituents.

Where is the free trade aspect about which the Liberal party has been speaking for a century or at least during the 1900's? Where has this all gone? The hon. member for Okanagan Boundary (Mr. Howard) said during the committee proceedings that this is a radical new approach. It may be the first step and the shoe industry might be the next. I see he shakes his head. I will read the evidence to him before this debate finishes. Then, the electronic industry might be the next. If we are to have a board on which there is not regional representation, and in respect of which all regions of Canada will not have an opportunity to take part in counselling on action which might be detrimental to the livelihood of the people in those regions, then the cry of "unity" will not be enough to hold us together. All regions must have an opportunity to be involved in presenting their ideas.

The three members of this board will basically be regional in their representation. The region is what we might call the greater Montreal-Ottawa region. A board with such a narrow concept will be able to implement action which could affect all Canada's trade. The minister can sit there and smile, but this is just one more bill that will do nothing but divide Canada, if we are not to be given an opportunity to have some regional representation on the board. There is no point in making speeches in Parliament on a subject after the decision has been made. In a democracy, representations must be made before the decision is taken and not afterward. Here we are to set up a board which would deprive regions of representation. Members of Parliament will rise in this House and say that the decisions taken by this board are harmful to one region or another, but at that time it will be too late.

If unity is an important question in Canada today, I believe we should move very slowly in respect of the establishment of boards which do not provide regional representation when decisions those boards may make may affect the livelihood of thousands of people in the years ahead.

Mr. Forest: Would the hon. member permit a question?

Mr. Horner: Yes.

Mr. Forest: Would the hon. member favour similar representation on other federal boards such as the Canadian Wheat Board, the Grain Commission and others.

Mr. Horner: Yes.

• (4:30 p.m.)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I want to say just a few words on the proposed amendment. I will refrain from commenting on arguments pertaining to other aspects of the bill brought into the debate.

What should be said about the amendment, and what was just implied in the question asked by the hon. member for Crowfoot (Mr. Horner), is that such an amendment which would give regional or provincial representation on the board would constitute a major precedent in the constitution of federal boards in the future. In fact, the acts establishing the Tariff Board, the National Energy Board, the Anti-Dumping Tribunal, the Wheat Board and other boards would likely have to be amended to reflect the same principle.

In addition, it would seem to me that such a move would be an abdication on the part of the federal government of its responsibility in trade matters. On a number of occasions, many provinces have said to us that the responsibility for textiles, because of the importance of imports and exports to the industry, is that of the federal government. Were I to go back to Manitoba, Ontario, Quebec, the Maritimes or other provinces at this time to ask them to kindly nominate members on the textile and clothing board, they could very well say "mind your own business, this is your responsibility".

On a number of occasions also members on both sides of the House have expressed regret at the deterioration of the federal power in matters of international and interprovincial trade. Counting on the provinces to nominate members to our boards would be a step backward in the assessment of our responsibility in these matters of international and interprovincial trade.

Mr. Horner: Would the minister permit a question? This board will carry on inquiries and recommend certain things. Surely, to ask provinces to appoint somebody to a board to make recommendations or carry out inquiries would further the whole program of decision making and further federal-provincial co-operation.

Mr. Pepin: My argument was, first, to indicate that this would be a major precedent and would necessitate changes in other federal government boards. I suggested that this would not be in the interests of Canada.

My second point is that we have refrained in the selection of members to the textile and clothing board, from appointing people with set opinions on these matters because they were from a certain sector of the industry or from a certain region.

Mr. Horner: Such as the Minister of Agriculture (Mr. Olson), with set political opinions.

Mr. Pepin: To mention one member of the board, Mr. Annis, who is president of the board and who is well known to members of the House as having been associated for a long time with the federal administration, I would not know what interest or region one might accuse him of representing on that board. We have gone out of our way to select people on the basis of their qualifications and judgment rather than on the basis of whether they were associated with one part or another of the country or one sector or another of the industry. We will let the public of Canada judge what we have done. I,

myself, am very proud of the balanced bill we have brought in and of the category of people we have attracted to this board.

Some hon. Members: Hear, hear!

Mr. Pepin: My last point is to agree with something said by the hon. member for Crowfoot. The hon. member for Dauphin (Mr. Ritchie) seems to forget at this moment that in matters of protection or non-protection the textile and clothing board only makes recommendations to the government. It should be well know to him also, because he was one of the assiduous members of the committee which studied the bill in depth, that the board will be supported by officials in mine and other departments, by knowledge they acquire during inquiries from consumers, producers, importers and so on. The hon. member's arguments imply that officials were doing a better jog than this board will be doing. I cannot go along with his logic, nor can I go along with the logic used by some hon. members in this short debate. I might also remind members on the other side—and I regret the absence of some—that the decisions will be made by the cabinet, and Canadian cabinets are well known for giving representation to all regions of Canada.

Mr. Horner: Not this cabinet.

Mr. Pepin: I give up. I know I will not be able to convince the hon. member for Crowfoot or the hon. member for York East (Mr. Otto). I welcome their contribution but I fail to understand the logic in their arguments.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75 (11) the vote on this amendment stands deferred.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I have had some discussions with the hon. member for Crowfoot, the minister, and the hon. member for Coast-Chilcotin (Mr. St. Pierre). Since I will not be able later to go ahead with two amendments which I have, there seems to be willingness on their part, if the House is willing, that the two amendments which stand in my name, Nos. 6 and 7, might be proceeded with at this time. If that is the feeling of the hon. members, I would like the opportunity to present arguments with respect to motions Nos. 6 and 7.

Mr. Jerome: I can confirm, on behalf of the hon. member for Coast-Chilcotin, that he was consulted and that he is agreeable to defer dealing with his amendment No. 5 in favour of dealing with amendments Nos. 6 and 7.

Mr. Knowles (Winnipeg North Centre): I also am in agreement with this procedure.

Mr. Deputy Speaker: By agreement, the House will now proceed to the consideration of the motion standing in the name of the hon. member for Peace River (Mr. Baldwin).

Mr. G. W. Baldwin (Peace River): I move:

That Bill C-215, an act to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof, be amended by deleting lines 38 and 39 on page 11 thereof and lines 1 to 27 at page 12 thereof and substituting therefor:

"(2) Where at any time it appears to the satisfaction of the Governor in Council, on a report of the minister made pursuant to an inquiry made by the Textile and Clothing Board with respect to the importation of any textile and clothing goods or on any other matter or thing in relation to textile and clothing goods within the meaning of the Textile and Clothing Board Act, that goods of any kind are being imported or are likely to be imported into Canada at such prices, in such quantities and under such conditions as to cause or threaten serious injury to Canadian producers, any goods of the same kind may, by order of the Governor in Council, be included on the Import Control List in order to limit the importation of such goods to the extent and for the period that, in the opinion of the Governor in Council, is necessary to prevent or remedy the injury".

I will be very brief, having in mind the importance of the subject matter. I simply make the point that my amendment seeks to strike down what I think is an intention in the bill to take it far beyond the original limitations which, of course, should be textiles and clothing. The bill is entitled:

• (4:40 p.m.)

An Act to establish the Textile and Clothing Board and to make certain amendments to other Acts in consequence thereof.

The recommendation from His Excellency is also limited to those particular terms. An examination of the interpretation clause shows quite plainly the bill is intended to deal with the question of textiles and clothing. To that extent we have moved amendments, one of which has been debated. The hon. member for Crowfoot (Mr. Horner) will be moving some more, and I will be supporting them. But what I intend to show to the House is that two of the clauses I am dealing with, and particularly the one now before the House, clause 26, go far beyond what was the intention.

Whether the minister was aware of what he was doing, and whether he intended to do it, I do not know. I think he did. He is a very bright minister. I think he must be aware of what he is trying to do. I think the House should be aware of what it is asked to do before it passes this bill.

Let us look at clause 26 as it now stands, which is the one I propose to amend. It reads:

Section 5 of the Export and Import Permits Act is amended by adding thereto the following subsection:

"(2) Where at any time it appears to the satisfaction of the Governor in Council on a report of the Minister made pursuant to

(a) an inquiry made by the Textile and Clothing Board with respect to the importation of any textile and clothing goods within the meaning of the Textile and Clothing Board Act—

That is perfectly all right. If the minister stopped there, I would accept it. I may have some disagreement with him on the question of the philosophy, but he is keeping himself fairly and squarely within the intention of the bill up to that point. But what comes under proposed subparagraph (b)? It reads:

—an inquiry made under section 16A of the Anti-Dumping Act by the Anti-dumping Tribunal in respect of any goods other than textile and clothing goods within the meaning of the Textile and Clothing Board Act.

That is introducing into the restrictive and qualifying provisions of this current legislation certain provisions which deal with goods which are not textiles and clothing. Then, the clause goes on:

—that goods of any kind—

Not clothing and textiles

—goods of any kind are being imported or are likely to be imported into Canada at such prices, in such quantities and under such conditions as to cause or threaten serious injury to Canadian producers—

Without looking for the moment at the Export and Import Permits Act, which we must do later because that is brought into this legislation, we find that by clause 26 the minister is asking this House to extend restrictive and qualifying conditions with respect to the importation of goods which are in no way related to textiles and clothing.

There may be a case for that. It may be just. The government may have a reason to want to introduce legislation of that kind and let this House debate it. But, Mr. Speaker, to attempt to do it by giving the government vast and wide powers so far as clothing and textiles are concerned and letting these powers apply to any goods at all, is something which this House should not be asked to do in connection with legislation limited to clothing and textiles.

I think there is a very good case to argue, and we might well yet do it on third reading, that these clauses are not pertinent, and are out of order in that they go far beyond the recommendation of His Excellency. They should therefore, be struck down. But I am not going to make that argument at this time because now we are going to argue the merits of my amendment. However, I am telling the minister that he might well expect a motion or a point of order on third reading to strike out these paragraphs because they exceed the qualifications established in the recommendation of the Governor General.

[Mr. Baldwin.]

What is in the Export and Import Permits Act which is being amended by this legislation? Section 3 of that act provides:

The Governor in Council may establish a list of goods, to be called an Export Control List, including therein any article the export of which he deems it necessary to control for any of the following purposes—

The purposes are then specified. They are:

—to ensure that arms, ammunition, implements or munitions of war . . . capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made available to any destination wherein their use might be detrimental to the security of Canada;

(b) to implement an intergovernmental arrangement . . .

(c) to ensure that there is an adequate supply and distribution of such article in Canada for defence or other needs.

Those are the very limited purposes established by section 3 of that act. We all know why it was introduced, and I think there is a good case to be made for it. But certainly, Mr. Speaker, it has no relationship whatsoever to textiles and clothing.

Then section 5 which is the section referred to in clause 26 of this bill, reads:

The Governor in Council may establish a list of goods, to be called an Import Control List, including therein any article the import of which he deems it necessary to control for any of the following purposes, namely,

(a) to ensure, in accordance with the needs of Canada, the best possible supply and distribution of an article that is scarce in world markets or is subject to governmental controls in the countries of origin or to allocation by intergovernmental arrangement;

That is quite plain, and we understand why it is in the Export and Import Permits Act. I, for one, would go along with it. But then we go to subparagraph (b):

—to implement any action taken under the Agricultural Prices Support Act, the Fisheries Prices Support Act—

And there is listed a number of other Acts of Parliament

—to support the price of the article—

produced by the particular industry involved. And then finally, it reads:

—to implement an intergovernmental arrangement or commitment.

When those goods are included in an import control list, there are certain consequences which follow and it is possible for the government by an order in council to prohibit, or interfere with, or limit the importation of those goods into the country. But, Mr. Speaker, the purposes set out in section 5 of the Export and Import Permits Act are purposes entirely foreign to the purpose of the bill we are now considering, which is "to establish the Textile and Clothing Board." There is no relationship whatsoever.

If I could I would argue that point alone, that this is not the way for the government to exercise its prohibiting power so far as goods coming into the country are concerned. But when the government goes beyond that and uses clause 26 of this present bill to say, as it does say in subparagraph (b):

—that goods of any kind are being imported or are likely to be imported into Canada at such prices, in such quantities and

under such conditions as to cause or threaten serious injury to Canadian producers of like or directly competitive goods, any goods of the same kind may, by order of the Governor in Council, be included on the Import Control List—

I simply must register my objection. I point out that this was not discussed in the committee. There was a very brief explanation by the minister on an irrelevant aspect of it. I am quite sure the members of this House agree that, being asked as they are now asked to give the power to the government to place on the import control list not just imports of clothing and textiles, but any articles at all, is going too far. There is absolutely no qualifying restriction with respect to the type of goods which this Parliament is being asked to put under the provisions of the Export and Import Permits Act.

It is true of course that there is an inquiry made by the textile and clothing board, and then there can be an inquiry made under section 16A of the Anti-dumping Act. The Anti-dumping Act at the present time is available for the purpose of permitting the government to impose certain penalties in connection with a case where there apparently has been an infringement of intergovernmental arrangements. The antidumping board might hold that this has been the case and the government might then intervene and impose certain penalties.

• (4:50 p.m.)

I am sure it was never intended that this government should be given power, which it had not held before, to extend the provisions of the Export and Import Permits Act so that, at the whim of the government, goods of any kind could be placed on the restricted list. The minister may have an answer, although he has not given it yet and did not give it on second reading. When this situation was first called to my attention, I did not believe that the government was seeking these extraordinary powers.

I am not going to infringe upon the courtesy of the House which gave me permission to proceed now. I raised the issue and will have a chance to develop it on the next motion. It is for the minister to say why, in a bill limited to textiles and clothing, the government is taking these extraordinary powers to prohibit the importation into this country of goods of any kind. It is an issue which is irrelevant and foreign to the legislation we are now considering.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, may I first say that we are not trying to hide anything. The title of the bill is quite clear, "An act to establish the textile and clothing board and to make certain amendments to other acts in consequence thereof".

My second point is that this sort of thing is done regularly with bills such as this one which covers a certain sector but also affects a number of other existing bills. In these circumstances, it is quite all right to incorporate changes in the bill which will affect other bills. This is not undemocratic or unparliamentary. We have consolidated versions of existing acts. I fail to see, on the basis of pure legislative process why the bill would be faulty.

Mr. Baldwin: On a question of privilege, Mr. Speaker, I want to make it plain that I have never had any cause to suspect the purity of the government.

Mr. Pepin: And I have never had any cause to suspect the lack of intellectual virginity of my hon. friend!

We come to the three changes that the amendment would make. The first change would be "any other matter or thing in relation to textile and clothing goods". I fail to understand that. Perhaps my hon. friend will agree to push it aside unless it has a hidden meaning which escapes me.

The second point is one of substance and refers to approval of the extension of the bill to goods other than textiles and clothing. As this is the main point, I think we should deal with it now.

First of all, I am surprised to see such an amendment coming from the party which argued for more effective use of import-export permits. I can recall hon. members on the other side saying that we were not making enough use of this act. I can also recall a speech made by the hon. member for Calgary Centre (Mr. Harkness) when he said that the power of unilateral action was already available in the Export-Imports Act.

Mr. Horner: Oh, that is a very weak argument.

Mr. Pepin: Let us try another one, then. I wish my hon. friend has as many good ones as I have. Maybe I do not understand the full substance of the argument, but the way I heard it the implication was that this extension should simply not be there. But why not?

Mr. Horner: From a free trade party—

Mr. Baldwin: Might I ask the minister a question?

Mr. Pepin: Yes, certainly.

Mr. Baldwin: Would the minister not agree that he could probably secure, without too much trouble, an extension of the provisions of the Export and Import Permits Act on clothing and textiles alone to bring them into this legislation? When, in addition to textiles and clothing, he says any other goods at all, does he not think there is valid cause for complaint?

Mr. Pepin: I don't see why. The implication would be that each time the government brings in new legislation covering, for example, a certain industry it would have to bring in bills covering all existing acts affected by the legislation, perhaps as many as ten. I think this is an excessive preoccupation with form.

Mr. Horner: It is a preoccupation in democracy.

Mr. Pepin: I think the spirit is more important than the form. The extension to other goods is clearly identified. When hon. members pass this article they will know what they are doing. I might say that safeguards have been written into the bill to ensure that it can only be used under extreme and stringent conditions. Serious injury must be demonstrated. The bill can only be used and is limited to the period necessary for removal of the injury. Another part of the amendment—

Mr. Horner: Five o'clock.

Government Organization

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon-Biggar (Mr. Gleave)—Grain—Time of payments to farmers under stabilization program; the hon. member for St. John's West (Mr. Carter)—Fisheries—Convening of international conference on conservation of marine resources; the hon. member for Leeds (Mr. Code)—National Defence—Proposed establishment of Canex store at Kingston base—Effect on merchants.

[*Translation*]

Order. It being five o'clock, the House will now proceed to consideration of private members' business as listed on today's Order Paper, namely, private bills.

PRIVATE MEMBERS' PRIVATE BILLS

LA SOCIÉTÉ DES ARTISANS

BILL TO AMEND

Mr. Rosaire Gendron (Témiscouata) moved that Bill S-10, an Act respecting La Société des Artisans, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Gendron moved that bill be read third time and do pass.

Motion agreed to and bill read the third time and passed.

• (5:00 p.m.)

[*English*]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

GOVERNMENT ORGANIZATION

REQUEST FOR COPIES OF STUDIES RELATING TO CONVERTING PUBLIC WORKS DEPARTMENT INTO CROWN CORPORATION

Mr. John Gilbert (Broadview) moved:

That an Order of the House do issue for copies of all studies, reviews, etc., that have been undertaken by the Government of Canada regarding the consideration being given to converting the Public Works Department into a Crown corporation.

He said: Mr. Speaker, on November 4, last year, I brought forward my notice of motion for the production of papers asking that an order of the House do issue for copies of all studies, reviews, etc., undertaken by the government of Canada regarding the consideration being given to converting the Public Works Department into a Crown corporation. I did so because, in December, 1969, the Prime Minister (Mr. Trudeau) announced the appointment of John MacDonald as Deputy Minister of Public Works. He was replacing Lucien Lalonde.

The Prime Minister said that new concepts of administration had to be brought to the area of public works. The Minister of Public Works (Mr. Laing) was ready to introduce them. He also said that we must consider new concepts in land and building management, and that it could mean the setting up of a Crown corporation "for some facets". This would be a fundamental reform.

It should also be noted that the Prime Minister said that the Glassco Commission had recommended a Crown corporation to be active in land management. The government was the largest land owner in Canada and the largest tenant of space. It was also suggested that a Crown corporation might be the agency for federal government construction. These suggestions were made in December, 1969. The appointment of John MacDonald as deputy minister was effective on January 15. In February, 1970, Mr. MacDonald made a statement to the press which indicated that serious consideration was being given to converting the Department of Public Works into a Crown corporation with assets of between $10 billion and $20 billion. This shows that public works essentially is a large business. He also said that, unlike other departments, that department is a service organization. It has no policy other than that of meeting the needs of other departments. He cited an example of what he meant. He said that the use of high priced real estate for post offices and other government buildings indicated an inefficient use of government property. He also said, while speaking at Edmonton, that if the new concept were followed the department would have two arms. One arm would do the building for all the other departments, and the second arm would control and manage most of the government's land and property. In other words, he set forth a revolutionary concept because, as he said, in the field of land and property this government department is one of the largest businesses in the country.

Then he made a revealing statement. He said that it has been estimated that the government could save $250 million annually through a Crown corporation, because it would eliminate redundancy and get the optimum return from government land. That figure of $250 million is most striking and interests hon. members of this House. Considering that the government is planning to spend a total of $57 million to employ students across the country during the summer months, and considering that the deputy minister has said that we could save over $200 million annually if we converted the department into a Crown corporation, a move that would eliminate redundancy and get the optimum return from government land, it seems clear that the government could give four or five times more than the amount of assistance to the summer student employment program it now contemplates. As I said, that speech by the deputy minister was made in February, 1970. You will note that my notice of motion is

dated November 4, 1970. We were becoming anxious about what was happening with regard to that particular department.

In December, 1970, the Ottawa *Citizen* reported that a plan for a leaner, more businesslike Department of Public Works had reached the very active stage. It also said that the department would become the central agency responsible for the estimated $20 billion in real estate owned by the federal government. Also, the Department of Public Works would manage more than $800 million a year in government construction as the federal supercontractor. The article also says that leasing arrangements would generate money while keeping the land for government use decades and even a century later. In building highways, marine works and buildings, and in repairing existing properties, the Department of Public Works would continue its policy of calling for bids. Very likely it would do more project management—taking the place of the general contractor—on huge, long term projects to combat the problems caused by unpredictable cost price increases in the construction business.

So, Mr. Speaker, you now have the picture. In December, 1969, the Prime Minister announced that a Crown corporation might take over some of the facets of the Department of Public Works. In February, 1970, the new deputy minister, John MacDonald, spoke about new policies and new concepts. I brought in my motion in November, 1970, and a further article appeared in the Ottawa *Citizen* in December, 1970. This shows how important it is for the government to consult all opposition members with regard to its plans for setting up this Crown corporation.

You know, Mr. Speaker, we have seen excellent examples of what the government does when it considers setting up Crown corporations. Recently, we debated the Canada Development Corporation bill. The original idea propounded by Walter Gordon and some others, including members of our party, who thought that the CDC would be one of the investing arms for Canadian capital and, as well, take into account the social policies required in the directing of business, has been emasculated. As I say, that idea which was brought forward some years ago has been emasculated. I should not like to see the emasculation of a Crown corporation which would deal with assets as big as those of the Department of Public Works. I hope this government will not emasculate such a corporation. It would be an excellent idea to set up a special committee and invite the Minister of Public Works, who has had wide experience in this field, to come before it. Actually, I think at his stage in life the minister could really be considered as a caretaker minister of public works. He may not be applying the initiative that may be necessary for the operations of the department and he may not consider that this matter is urgent.

We could ask the Minister of Public Works and the deputy minister, who has undertaken some detailed study, to explain this so-called revolutionary concept. The members of the committee could then make a report to the House which would be very useful. I hope that legislation would then emanate from that report.

• (5:10 p.m.)

Hon. members opposite may say that opposition members will have the opportunity to ask questions, when the estimates are before the Standing Committee on National Resources and Public Works. However, may I suggest that members of the opposition would not have the detailed knowledge that is within the purview of the government and it would take a great deal of time to set it forth. One of the problems with the estimates is the tendency to hurry them. Many members on the government side are not taking the right attitude with regard to making the minister answer questions relating to his particular department. I fear that if one of the members of the government suggest that we deal with this proposal in the estimates committee, it will not receive the proper consideration which would enable us to understand this important concept.

This is a step forward with regard to the Department of Public Works. In the past, the Department of Public Works has been considered the great patronage department of the government. It can be said that large amounts of money have been unwisely spent with regard to government contracts in order to benefit some of the friends of and contributors to the party in power.

Some hon. Members: Oh, oh!

Mr. Gilbert: I am very happy that I have the attention of members opposite. They are now listening intensely. Recently, a new concept has been developing. The political patronage concept is being reduced. I have this feeling, Mr. Speaker. With the development of a crown corporation, it may be that we will have an almost total reduction with regard to political patronage and contributors. This is why we are anxious to know what the government has in mind with regard to this crown corporation. We want to see to it that they do not emasculate this excellent idea in the way that they emasculated the idea of the Canada Development Corporation.

I am only speaking for 10 minutes on this important motion because I am sure that the members supporting the government will see the possibility of this motion being carried quickly with the recommendation that it be sent to an appropriate committee where it could be studied in dept and a report made to the House. As a result of this report legislation could be drafted to establish a Crown corporation.

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

Mr. Gilbert: Certainly.

Mr. Boulanger: Mr. Speaker, the hon. member just mentioned patronage by the party in power. Could he give one or two examples of such patronage in the Department of Public Works? I ask him to be very clear about it and not a sissy.

Mr. Gilbert: Mr. Speaker, the hon. member's question indicates that he is quite sensitive to this patronage. He has a right to be sensitive because his party has been one

of the foremost recipients of patronage from construction companies across the country.

Some hon. Members: Oh, oh!

Mr. Gilbert: There is no doubt about it. If the hon. member were to read the report on election expenses, he would see the tremendous amount of money received by his party for election purposes with no indication from where it was received. Where did it come from? I thought the hon. member would know, Mr. Speaker, but seemingly he does not. I recommend that he contact the right sources within his party to indicate where these moneys came from.

The Acting Speaker (Mr. Richard): Order, please. I humbly but strongly suggest that this type of discussion on either side will not solve the problem of whether the Department of Public Works should be a Crown corporation. If it might clean up the Department of Public Works, it would not make it a Crown corporation.

Mr. Guay (St. Boniface): Mr. Speaker, I humbly suggest that the question is not the discussion that may take place between two members. The hon. member has made charges. He has a responsibility to inform the House of his knowledge so that the matter can be properly investigated. To make raw statements and charges is only wishful thinking. It is only talking for the sake of talk.

Mr. Gilbert: If I may reply, Mr. Speaker, I am amazed that a backbencher has not read the report on election expenses.

The Acting Speaker (Mr. Richard): Order, please. If hon. members are not satisfied with the ruling of the Chair and, in particular, are not satisfied with the conduct of an hon. member, they should follow the proper procedures and deal with the matter in another manner.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, if I understood correctly the motion presented by the hon. member for Broadview (Mr. Gilbert), he wanted, first of all, the production of copies of all studies that have been undertaken by the government regarding the consideration being given to converting the Public Works Department into a Crown Corporation. Now, we know that, on November 4, 1970, the Minister of Public Works (Mr. Laing) refused to produce such documents because he considered them, and still does, of a confidential nature.

The mover then asked that the motion be transferred for debate.

There are two important aspects to be considered in this motion: first, the possibility of reorganizing or transforming the Department of Public Works into a Crown corporation, secondly, the confidential nature of the documents mentioned by the mover of the motion. As a matter of fact, I was under the impression that the purpose of the debate would be to discuss the reasons which had prompted the minister to consider these documents as confidential.

I was surprised and disappointed also to see that the mover of the motion, perhaps inadvertently, has brought the House to discuss very minor questions which never reflect credit on Parliament, an institution upon which the eyes of all Canadians are focused.

If we are convinced that we have a serious part to play in the House, we should forget about these petty questions which make us waste our time. That is one of the most serious charges that our fellow citizens utter daily, concerning delays and waste of time to which we sometimes fall victims.

And since the hon. member has levelled certain charges against members of the Liberal party, he cannot accuse them of needlessly delaying debates, on minor and unimportant matters. I think that he himself, and perhaps some of his colleagues—with all due respect—ought to examine their conscience every night, concerning those questions of delay and waste of time on useless details which have nothing to do with the development of our country. They discuss trifles and afterwards they speak of truly important issues such as unemployment and other similar questions.

At any rate, the hon. member spoke long enough about the present and future management of the Department of Public Works. Let us say that it is as a result of a statement made by the Prime Minister (Mr. Trudeau) that he realized that studies could be made to alter the present status of the Department of Public Works which would become a Crown corporation.

• (5:20 p.m.)

I respect his opinion that this department should become a corporation. Although I am not an expert in this field, he will none the less allow me to express my opinion that we should always be very cautious about promoting a project to change a government structure into a Crown corporation.

I was impressed, among other things, by the fact that in the motion the hon. member accuses government members of not taking the necessary steps to convince the minister to table the documents concerned.

But since the department alleges that the documents are of a confidential nature, I believe that documents of the public administration in general are the property of the public and if necessary, Canadian citizens and most of all members of Parliament should be able to consult them. On the other hand, he will no doubt admit that some documents must remain confidential to ensure proper administration and public protection.

The documents of the administration belong to the public, not only in Canada but throughout the world. However, governments have kept some documents secret and the propriety of such action has often been challenged by experts and other citizens who needed the information.

If we study what has been done in this regard in other countries, we find that they passed laws on information and production of public documents.

It is reported that in Sweden, since long ago, all documents can be made public. On the other hand, there are

many exceptions particularly with reference to national defence, foreign policy or internal administration of certain departments.

In the United States, the Freedom of Information Act was enacted in 1967. Although a great deal of freedom of information has been granted to American citizens under this Act, it can be said that many classes of documents are exempt from the Act.

In Canada the situation is reportedly less clear, for there would be no statutory provision on the publication of that kind of documents, except the Official Secrets Act.

There remains for us to rely on custom which has proven its worth in many areas including possibly this one. Governmental departments must examine each request before reaching a decision. It can be assumed that publication of documents is conducive to good administration. We have only to remember some of the good results derived from the publication of certain documents. Indeed the parties' interest is thus made public through publication of certain documents and this may sometimes be useful. It invites reactions from public opinion so that a good administration may ensue. It provides information each time the activities of the administration are discussed or criticized and in such cases where it can be regarded as a means of control.

Documents should normally be publicized but officers are not legally bound to provide information other than the official account, neither on their own authority nor on request. It could occur however that authorities will refuse to reveal what could be detrimental to public interest. This is where we could say that some documents must really be and remain confidential, not only for those who prepared them, who have not finished them, but also to protect the public at large.

In my humble opinion, the fact remains that we should rightly be concerned with suggestions for liberalizing access to official papers. I believe that knowing that any memorandum could be made public could exert a negative influence which might slow down or put a stop to a movement an enthusiasm or an interest. This would have an adverse effect on the conduct of certain public affairs.

I believe that for the development of a policy the mind should be given free play. There must be dedication to the task, and special favourable conditions. All alternative means of achieving the purpose must be explored at length and there must be wide-ranging studies, as in the case mentioned by the mover on matters of comparison between the Department of Public Works and a Crown corporation. It would, in my opinion, be stupid or undesirable to subject some of the solutions envisaged to general scrutiny.

Emphasis on every activity of administration being made public would, in my opinion, hinder the smooth running of discussions and deliberations which are necessary for judicious administration.

If officials of the Department of Public Works, or others, have now been conducting in-depth studies over months, perhaps even years, with the prospect of transforming the Department of Public Works into a Crown Corporation, it is normal that these studies be published only after they are finished. Some points are being examined, the opinions of experts, engineers, public servants are being discussed and it would not be advisable at all to make these studies, these plans available to the public, even to hon. members. Hon. members are entitled to information, but only when everything is finished and has become official. In Canada bureaucracy is not so gigantic, whatever might be said sometimes.

• (5:30 p.m.)

The number of competent researchers is rather limited.

I think it might be possible to set up a better system to publish specific documents or files, in order to satisfy legitimate requests from researchers.

If there is any gap in the official policy with regard to information in the field of administration, and if these gaps constitute a serious handicap either to historical research or other types of research, or to the activity of members of Parliament, instead of introducing the same motions in each session and wasting efforts, it might be more logical, more sensible and more efficient to propose the drafting of regulations or legislation that would clearly state what category of document could, in the future, be considered confidential or not.

This is why, considering the case in point, and assuming that studies have been launched in order to draw a comparison between the future of the Department of Public Works and the efficiency or the use of a Crown corporation, I can only approve the attitude of the Minister of Public Works who decided, pursuant to the established practice, to consider these documents as being confidential, as he is responsible for them in the final analysis, and as it is his duty to refuse to produce the documents requested by the hon. member for Broadview.

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, from reading over the notice of motion we are now debating, and before I heard the hon. member speak, I drew the inference that the mover of the motion is among those who favour the proliferation of Crown corporations and he is curious to know whether we can soon expect so see a new one rising over the horizon. Having heard the hon. member, it would appear that is his point of view. I cannot entirely agree with him.

Mr. Gilbert: It has been expressed by the deputy minister. All I did was express his opinion.

Mr. Penner: It may have been expressed by the deputy minister, and probably has been studied. It is my understanding, however—and I do not know how reliable my grapevine is—that now the idea has been discarded. If that in fact is the case, I would applaud it. This leaves me to consider briefly the whole question of government and its many agencies in relation to society as a whole. If I may be permitted to do so in the few minutes left, Mr. Speaker, I should like to pursue that theme.

Recently I had occasion to read once again the interesting and thought-provoking book by Peter F. Drucker entitled "The Age of Discontinuity," which was written

in 1968. In this book there is a chapter entitled "The Sickness of Government". I would recommend the reading of this chapter to the hon. member who introduced the motion and to the members of his party. They probably are already familiar with it. Mr. Drucker makes the point that government surely has never been more prominent than it is today. He says it is, in short, all pervasive. There is mounting evidence, he states, that government is big, rather than strong; that it is fat and flabby, rather than powerful; that it costs a great deal but does not achieve much.

Mr. Gilbert: That is the Liberal party you are describing.

Mr. Penner: It is any government. It is your party in Manitoba as well. It is no particular party, no particular province and no particular country. Drucker is not writing a partisan treatise, such as my hon. friend is used to reading. He is writing a book which deals in depth with the theoretical consideration of important political and social questions.

• (5:40 p.m.)

If you want a point in fact—this is true of government in general—that point has been made, but in Canada it is true of our Crown corporations in particular. They are costly, but often they achieve very little. We need only look at the CBC and the CNR as two cases in point. These Crown corporations have been criticized frequently in the House. The last analysis I read on the CBC, for example, showed that this Crown corporation spends at least twice the amount the privately-owned CTV does in producing similar programs.

Over the years, many parliamentarians have expressed concern about the cost of CBC to Canadian taxpayers. The proposal has often been made that it should be carved up and sold, leaving the fate of Canadian culture in the hands of private broadcasters. I think that suggestion was even made at one conference of the party to which the hon. member belongs.

Mr. Gilbert: What is this?

Mr. Penner: One thing is certain. There is growing disenchantment with government, and citizens everywhere are beginning to balk at paying for bigger government, although conversely these same people still want what government promises to give them. In the years from about 1890 to 1960, mankind, especially in the developed countries, seemed hypnotized by government. The Fabians in Great Britain, and the German Social Democrats started their love affair with government before 1900. It became more general with World War I when government, using taxation and the printing press, mobilized social resources away beyond what anyone earlier would have thought was possible.

When the Great Depression hit a decade later, everybody immediately turned to government as the saviour, and it is rather pathetic to recall the naïve belief that prevailed in the late thirties, such as, for instance, what was preached in one of the best-sellers of the depression years, a book called "To plan or not to plan" by the British Labour economist Barbara Wooton. One critic has described this book as a fervent love letter to government, full of messianic innocence. All it says—and it says it over and over again on almost every page, in different words—is that Utopia is here; all that is needed is to take everything away from the wicked, selfish private interests and turn it over to government. We have done a great deal of that and we have many programs trying to do many things for citizens. These programs have frequently not succeeded in what they were intended to do. So what have we done? We have revised these unsuccessful government programs, not once but over and over again, and we have asserted that nothing is basically wrong with them that a change in procedures or a more competent administration will not cure. I hope it will not be construed that I am arguing for weaker government.

Mr. Gilbert: It is weak enough now.

Mr. Penner: What I am arguing for is strong, effective and truly performing government which has never been more needed. We need government as the central institution in a society of organizations. We need an organ that expresses the common will and the common vision and enables each organization in society to make its own best contribution to that society and to its citizens. Yet that same central institution, the government, must express common beliefs and common values. Unfortunately, government is not very good at innovation. By design it is a protective institution. It cannot really abandon anything that it once starts. The moment government undertakes anything, that undertaking becomes entrenched and permanent.

Generally, government is not an effective doer. Business management knows this about government but it also knows that you must always separate the decision-maker from the doer—that is, if you are interested in efficiency of operation. If this lesson were applied to government, the other institutions of society would rightly and properly become the doers. A good analogy, perhaps, is that of an orchestra. Analogies are always a little silly, but this one may serve the purpose. Government ought properly to be the conductor of the orchestra, but those who produce the sounds—the musicians—would liken to the other non-governmental institutions of society, institutions in a society of many organizations. I think that this theme has been adequately developed in the time that is available to me. I conclude by quoting two paragraphs from Mr. Drucker's book, to help sum up the argument. The first paragraph reads as follows:

> If we want a really strong and effective government, therefore, we should want businesses that are not owned by government. We should want businesses in which private investors, motivated by their own self interest and deciding on the basis of their own best judgment, take the risk of failure. The strongest argument for "private enterprise" is not the function of profit. The strongest argument is the function of loss. Because of it, business is the most adaptable and the most flexible of the institutions around. It is the one that has a clear, even though limited, performance test. It is the one that has a yardstick.

The other paragraph reads:

—we are disenchanted with government, primarily because it does not perform. We can say that we need, in pluralist society, a government that can and does govern.

Mr. Gilbert: You are on our side, Keith.

Mr. Penner: A long way down the Chamber, though. The paragraph continues:

This is not a government that "does"; it is not a government that "administers"; it is a government that governs.

Mr. Gilbert: Would the hon. member permit a question?

Mr. Penner: I would be delighted to entertain the hon. member's question.

Mr. Gilbert: I have always found the hon. member to be a delightful, courteous and kind fellow. I ask him whether we should give serious consideration to the statement of the deputy minister, which I quoted in my speech, that by setting up a Crown corporation Canadians would save $200 million. It seems to me that we should give serious study to that proposition. Would the hon. member agree with that statement, and does he agree that on that basis alone the document should be shown to members?

Mr. Penner: I believe that we should give serious consideration to every recommendation by every deputy minister, but that we should not necessarily follow what they recommend.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I was frankly surprised that the hon. member for Broadview (Mr. Gilbert) did not see fit to accept the explanation of the Minister of Public Works (Mr. Laing), who gave the reasons why these papers should not be produced. I was surprised because until I heard some of the comments in his most recent address I had found him to be a fairly responsible and reasonable member of this Chamber.

• (5:50 p.m.)

There comes a time when leaders in government have to make decisions that the uninitiated, those who have never been members of the cabinet and who possibly never will be, would find it difficult to accept. There comes a time when a government must weigh all the evidence and ultimately make a decision. And when the hon. member received a most reasonable response from the Minister of Public Works, I would have thought he would have seen fit to accept it.

I was a little surprised at the somewhat bootlegged, unkind comment that the Minister of Public Works might be considered a caretaker in that position. As one who has had close association with the minister because of area responsibilities and works that have had to be carried out in my riding, I have found him to be anything but a caretaker minister. Frankly, he is dedicated to the job which the Prime Minister (Mr. Trudeau) has asked him to undertake. I would like to give a small example of this. The minister came to the Sarnia riding, ostensibly to unveil a monument to the first Liberal Prime Minister of Canada, Hon. Alexander Mackenzie.

It would have been a fairly easy task to perform, just to come into the riding and make the appropriate speech. He did make an appropriate speech, off the cuff, filled with Canadiana and much sense. Others might say that having performed that particular function, he would have been happy to attend a party function and return to Ottawa. But not this particular minister, because he knew that a group of Indians were having trouble from erosion of the St. Clair River banks caused by ships going up and down the St. Clair. The minister made an on-site inspection and took notes. On his return to Ottawa he took up the matter with the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and as a result a portion of a seawall has been built in the most affected area. There is something to be said for maturity in cabinet ministers, just as there is something to be said for maturity in Members of Parliament.

Some hon. Members: Hear, hear!

Mr. Cullen: I notice the hon. member for Winnipeg North Centre (Mr. Knowles) is clapping loud and long at that remark, but I think he had better look behind him because his colleague from Broadview does not seem to share that opinion. However, I hope the hon. member for Winnipeg North Centre and I may be able to convince him that there is a place for mature members of this establishment.

I had not intended to participate in this debate because I knew that the hon. member for Rimouski (Mr. LeBlanc) and the hon. member for Thunder Bay (Mr. Penner), who preceded me, would give the hon. member for Broadview all the reasons and answers he needed. However, I was a little surprised at the unkind comments of the hon. member for Thunder Bay about government in general, because there is a tendency to be parochial and to feel that decisions such as the one made by the Minister of Public Works in this instance might not fit in with the Drucker theories. It is a bit unkind to condemn all governments. Governments have a responsibility to the people, and they have to operate within the ground rules that are established. I think the present government has endeavoured to do all it can, with a somewhat unwieldy machine, to give this country the best government it has ever had.

This is not an opinion that will always be shared by the opposition, but by and large I would say we have had pretty good leadership from the government and this party, bearing in mind that over the past 100 years it has been leading our country to the point where people who want to maintain Canadiana and Canada as we understand it today would see fit to change the way in which the ground rules are established.

The hon. member for Thunder Bay saw fit to attack one of our Crown corporations. I think the CBC is probably everybody's favourite whipping-boy. There are some things in Crown corporations that warrant attack. I happen to be privileged in that Polymer, one of the jewels of Crown corporations, is in my riding and is carrying out its duties exceedingly well. This morning at

a meeting of the Public Accounts Committee we had the Canadian Overseas Telecommunications group appearing. This is another Crown corporation that is doing a good job, probably as good as any private industry would do it.

There will come a time when the Minister of Public Works will have to decide whether there are areas in public works that could be better handled by Crown corporations or whether they should remain under the ministry as is now the case. For that reason, all kinds of studies are made and all kinds of suggestions will be made to him in his capacity as minister. If an individual is making a recommendation to the ministry, he should have the protection of the privilege that he quite rightly would expect to be attached to it, namely, that it will not be made a public document unless it is considered in concert with all other documents.

Mr. Speaker, I understand that another of my colleagues wishes to speak on this motion, so I shall not talk until six o'clock.

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I thank my colleague for giving me about a minute and a half. When I talk about the hon. member for Broadview (Mr. Gilbert) and his Socialist party, I have so much to say that I will say it in English, because that way I will go a little faster. When I read this Socialist party motion—

Mr. Gilbert: New Democratic Party.

Mr. Boulanger: I would rather call you Socialist because I do not know whether you are of the very far left or only half left. When I see a motion like this I know that the hon. member is still playing politics in this House, just as he does in his riding. He will never be in power in this House and therefore he need not be disappointed whether or not we pass this motion. But I doubt that we will pass it.

In his remarks the hon. member for Broadview talked about patronage, which he claimed was pretty high, but then he came down a little. However, Mr. Speaker, he forgot to mention how they get their money and how they make it—

[*Translation*]

The Acting Speaker (Mr. Richard): Order. The hour for the consideration of private members' business having expired, I do now leave the Chair.

[*English*]

I am sure that some hon. members who read this debate will feel that they should have been present with us. I would like to make one comment. This has been the twenty-sixth hour of private members' business in this session. I have listened to every debate during private members' hours, and all have been attended by a small number of members. I do not want to comment on the sum total of accomplishments during these 26 hours, which are the equivalent of 1½ weeks of government business, except to suggest that it might be worth while for some hon. members to get together to revise the rules.

At six o'clock the House took recess.

[Mr. Cullen.]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

TEXTILE AND CLOTHING BOARD ACT

PROVISION FOR ESTABLISHMENT, INQUIRIES, REPORTS, ADJUSTMENTS ASSISTANCE FOR WORKERS

The House resumed consideration of Bill C-215, to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this afternoon I tried to rebut the amendment presented by the charming but sometimes bellicose hon. member for Peace River (Mr. Baldwin).

Mr. Knowles (Winnipeg North Centre): Never!

Mr. Pepin: The amendment implies that the hon. member does not agree with the contents of clause 26 which amends the Export and Import Permits Act and provides that unilateral action to control imports taken with regard to textiles and clothing goods might also extend to other goods.

Mr. Baldwin: I admire the minister's perspicacity.

• (8:10 p.m.)

Mr. Pepin: Thank you very much. As I said this afternoon, we are not trying to hide anything. The title of the bill indicates that. I alluded to that on a number of occasions in my speeches in the House and in my answers to the committee. I was surprised that the opposition members of the committee did not give it more importance. Basing myself on comments that were made previously by members of the opposition, I assumed that this was acceptable and that they had no intention of opposing it. I think that was a logical conclusion.

Mr. Lambert (Edmonton West): It could have been raised by your own members.

Mr. Pepin: Yes, indeed. The principle that one should not amend other bills in a bill is new to me. Possibly the hon. member has some learned references to offer in support of his contention. As far as I know, it has been done before. It has been done in the present instance for everyone to see. I suggest it will also be done in the future. I cannot see how a major taxation bill, for example, could be introduced without making amendments to other existing bills. The practice seemed to be quite acceptable previously. I suggest that the amendment should be defeated, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): On this point, Mr. Speaker, I can understand why my colleague, the hon. member for Peace River (Mr. Baldwin), has raised

this point. The minister will readily understand. I think one has to say, in defence of the report, that it is available to hon. members. I think the minister is forgetting that. Because of the way the committee system functions it is not possible for all hon. members to attend the deliberations in committee with regard to any particular bill. On the basis of the evidence that is presented, they too have a right. A committee does not have the exclusive right to determine any particular provision of a bill referred to them. It is the House that makes the final determination. That is why a bill is brought back at the report stage. I share part of the concern of hon. members with regard to these sections. That is their right.

If members of the opposition raise points not previously raised by members of the committee, the minister should not point the finger. Today government members were tossing the ball back and forth, not quite in keeping with the position of the government.

Mr. Béchard: Freedom.

Mr. Lambert (Edmonton West): The Parliamentary Secretary to the Minister of Justice (Mr. Béchard) says "Freedom". Let's attribute that freedom to the opposition as well as to members on the government side. I wish to ask the minister one question. Unfortunately, I do not have the Customs Act before me. Can the minister state whether action under clause 26(2)(a) of the bill is subject to further review by Parliament? Last summer the government took action with regard to certain types of textiles. Within six months the government must come to Parliament for a resolution of this House to have it confirmed or extended, or it dies. The action taken could be done under the powers granted by this amended section.

Will there be a review by Parliament within a specific period, or are we giving the Governor in Council the power carte blanche to act as they see fit, without Parliament having the right to discuss within a stated period the action taken following executive decision? This is the point I want to raise.

Mr. Pepin: The hon. member is referring to the surtax. In the case of a surtax, after 180 days I have to come to Parliament for approval of a resolution for an extension of that surtax for a period of time. We did that recently.

Mr. Baldwin: You may not be here in 180 days.

Some hon. Members: Hear, hear!

Mr. Pepin: No one may be here in 180 days.

Mr. Forrestall: Is that an indication?

Mr. Pepin: No, just a spiritual reflection. The inclusion of a certain item, textile or other, on the list of controls under the Import and Export Permits Act is something we will have to justify while it continues. This is contained in clause 26. As far as I know, it is not the subject of a resolution presented to the House if the minister wants to extend it in the same way as the surtax.

Mr. Lambert (Edmonton West): I am wondering how the minister can justify this particular action, because in this amendment at line 31 on page 12 of the bill there is the following phraseology:

—"or otherwise regulate the entry of goods to which the arrangement or commitment between Canada and that country relates."

Surely a surtax is a means of regulating the entry of goods.

Mr. Pepin: Mr. Speaker, a surtax is imposed through another bill; it is not imposed under the bill presently under discussion. I fail to understand the argument. Is the hon. member saying that in this bill as in the case of a surtax, after 180 days we should bring the decision to include a commodity listed on the Export and Import Permits Act back to the House? Is that what he is suggesting? If so, I will answer in the following way: In order to put it there I have to go through all the formalities described in the present bill. Under clause 26, in respect of the Export and Import Permits Act I have to report to the House at the end of the year that the commodity has been added to the list. I presumably have to constantly defend in debate in the House or in the question period why a particular commodity is maintained on the list. I suggest there is no provision here similar to what exists with respect to the surtax.

Mr. Lambert (Edmonton West): I rise on a point of order. With the greatest deference to the minister, clause 27 is not an amendment to the Export and Import Permits Act but is an amendment to the Customs Act. It is under the Customs Act that the minister has authority to impose a surtax.

Mr. Pepin: I suggest the hon. member is dealing with the next amendment. We are now talking about the first amendment of the hon. member for Peace River, an amendment to clause 26, not 27.

Mr. Lambert (Edmonton West): I am on clause 27.

Mr. Deputy Speaker: Is the House ready for the question? The question is on motion No. 6 standing in the name of the hon. member for Peace River (Mr. Baldwin). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

Textile and Clothing Board Act

• (8:20 p.m.)

Mr. G. W. Baldwin (Peace River) moved motion No. 7:

That Bill C-215, an act to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof, be amended by deleting clause 27 thereof at page 12.

Mr. Deputy Speaker: Is the House ready for the question?

Mr. Baldwin: No, Mr. Speaker. I would have been ready for the question had I not observed a slight measure of doubt over there. I hope I may be articulate enough to persuade hon. members on the other side of the House to accept this motion. However, that remains to be seen.

This motion follows the one which has already been put to the House, except for some differences. It does enable me to rebut the weak and specious arguments put forward by the minister. The first argument he used is one he will no doubt try to apply to this motion and I intend to anticipate it now. My objection is not one as to legality; it is an objection as to morality. It is not a very moral system which enables the government to try to persuade the House that it is dealing only with textiles and clothing and then to bring in by subterfuge—yes, I will use that word—and certainly without notice being given, clauses which deal with a great variety of goods.

The minister defends himself, as I suppose he will defend himself against my proper criticism now, by saying that the title covers such action. Read the title—"An act to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof." That is, in consequence of establishing the textile and clothing board. For the minister to bring in legislation which in effect varies and amends to a substantial degree other legislation on such a pretext amounts, in my opinion, to legislative immorality and I have no hesitation in designating it as such.

What does clause 27, to which I am objecting, attempt to do? It is an attempt on the part of the government to change the Customs Act by providing as follows, and I am reading from clause 27(2a):

Notwithstanding subsection (1), where it appears to the satisfaction of the Governor in Council on a report from the minister that the goods—

This clause refers to "goods", and under the Customs Act the definition is wide enough to include any goods at all—oranges, elephants, potatoes, what have you.

Mr. Howe: Orang-outangs?

Mr. Baldwin:

—where it appears to the satisfaction of the Governor in Council on a report from the minister that the goods, the export of which from any country is the subject of an arrangement or commitment between the government of Canada and the government of that country, are being imported into Canada in a manner which circumvents such arrangement or commitment—

It goes on to say that the Governor in Council may by regulation prohibit the entry of those goods. Mr. Speaker, there is no more connection between that clause and the inherent principles of the bill we are dealing with than there is between rapeseed and immorality, and you should know that.

On second reading of this bill we directed our attention to textiles and clothing and this House, after a very good debate, gave its approval on the question of principle to the extent to which principle is still an element in second reading. Hon. members approved the bill as far as it dealt with textiles and clothing. There was a further discussion during the committee stage and some amendments were proposed at that time, as amendments have been proposed now. Those amendments did not go to the root of the bill itself; they dealt with procedure. We directed our attention in this House to the question of textiles and clothing, and now we find that all along this was a very small part of the bill. What we are being asked to do by clauses 26 and 27 is give authority to the government with respect to goods of any description to prohibit or restrict their entry into this country.

The minister may have a good case; the government may have a good case. The government may find it necessary for the purpose of protecting people and industries to say, all right we are going to deal with potatoes, we are going to deal with electric razors, we are going to deal with other commodities and we will ask the House to pass legislation which is comparable to the bill we are now dealing with, Bill C-215 having to do with textiles and clothing. And if Parliament is of the opinion that the minister has made a good case, as he obviously did in connection with this bill, it will pass that legislation. But here, under the guise of dealing with textiles and clothing the minister is asking us to give blanket approval to changes which would permit the government, a government which likes to exercise arbitrary authority and which exercises it improperly over and over again, without providing opportunity for debate on this issue to restrict the importation of any kind of goods it pleases.

The minister talks about principle. We talk about principle on second reading. What is the principle to which we agreed on second reading of this bill? Was it with regard to textiles and clothing? Was it with regard to any other variety of goods under the Customs Act? Was it in regard to the right of the government to establish by Order in Council an import control list which might include any articles at all? Three entirely different principles are involved there. We have given our approval in principle to a board. We have agreed to give that board and the Governor in Council certain powers. We have accepted this principle without objection.

The minister himself is a very honourable man and I know he would not do this on his own. But in a political sense it is a dubious strategy to invest the government with authority which it is not entitled to possess unless and until it has brought down specific legislation, debated the issue, taken it to committee, and so on. This is the basis for my objection. I only hope I shall be supported by all those who believe that parliamentary government should proceed along well conducted and orderly lines.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I want to put into their proper place the remarks I made

when we were considering the previous amendment. I shall not repeat them, but I feel this is the first question I must raise with regard to clause 27.

Mr. Pepin: Would the hon. member kindly repeat the argument he made previously? I was searching my mind in an effort to understand it and became somewhat confused in the process before finding out that he was speaking on the wrong amendment.

Mr. Lambert (Edmonton West): Very well. Briefly it is this. We are dealing with clause 27, an amendment to the Customs Act. It allows the government to take certain action to exclude from the country or, shall we say, by regulation prohibit or otherwise regulate the entry of goods to which an arrangement or commitment between Canada and any country relates.

• (8:30 p.m.)

I was asking whether the power given by this proposed amendment would be subject to parliamentary review, say in a period of 180 days as was the case in respect of the surtax applied by the minister under the authority of the Customs Act, which says that unless the Order in Council is confirmed by the House, it shall expire. In other words, executive action taken by the Governor in Council is subject to review by Parliament.

I was asking whether the action envisaged in this clause is subject to such a review. That is my first question. Secondly, I wish to reinforce the arguments made by my colleague from Peace River. I would ask all members of the finance committee, with the exception of the minister's parliamentary secretary, whether their attention was directed to the fact that this amendment touched goods other than textiles. As recorded at page 15:6 of issue No. 15 of the proceedings of the Committee on Finance, Trade and Economic Affairs, the parliamentary secretary made this statement:

> Mr. Chairman, in addition to these principal points with which I have dealt, there are a number of consequential amendments necessary which I believe we will deal with in our detailed discussions of the bill.

Up to this point the parliamentary secretary had been dealing with textiles. There is very cursory mention of clause 27 dealing with textiles. I am sorry the hon. member for Coast Chilcotin (Mr. St. Pierre) is not here, because he is one member on the government side who has been most penetrating in his examination and frankly critical of many of the features of this bill. I am sure he would share the opinion of the rest of the members of the committee that they were dealing with textiles.

My colleague from Peace River, who on perhaps more mature reflection has examined the exact wording of this consequential amendment, sees that it goes from apples to peanuts to zebras in respect of what commodities may be excluded. It goes far beyond textiles. It is one thing for the government to advance arguments, through the statements of the minister and his parliamentary secretary in the House and in the committee, concerning the need to give formal approval to a textile advisory board, but then it comes in with an amendment to the Customs Act which says that if there is an agreement of any kind covering any type of goods, the government can propose a further amendment to the Customs Act and there can be action to either prohibit or otherwise regulate the entry into the country of any commodity.

It is at this point that I say I do not think the government has come forward with clean hands. I do not believe it has necessarily actively suppressed any item, but nowhere is there an indication why the government wants additional power to limit the import of all types of commodities or goods which, incidentally, unless the minister can give an affirmative answer to my first question, means the Governor in Council can do it and it is not subject to review by anyone. One cannot within a statutory instrument merely change what it covers. It can merely say whether it affects the rights of individuals or is retroactive or deficient in itself—but not within the ambit of the power that is being asked in this amendment. Even at this late date I join my colleague from Peace River and say this clause goes far beyond the power that the government indicated to the House it was asking us to give.

Mr. Cliff Downey (Battle River): Mr. Speaker, the amendment before us, which proposes to delete clause 27, is very significant. This provision pertains specifically to the Customs Act. As the hon. member for Edmonton West (Mr. Lambert) said, there is in this clause wide power to use the legislation to prohibit any and all manner of imports into Canada. When one sees the many areas covered by the bill and the protection it affords one specific industry, as well as the powers granted under it in respect of other areas of imports, one understands the troubles it could create in respect of our trading relations with other countries.

One of the briefs submitted to the committee by, I believe, the Canadian Importers' Association pointed out the difficult situation that could arise in respect of trading relations and so far as importers are concerned. I believe we must look at the far reaching effects of this legislation as it applies to international trade in general.

• (8:40 p.m.)

As I pointed out earlier today, we have had good trading relations with the Pacific rim countries. Trade relations and trade prospects there are very difficult to assess. It is difficult to assess the scope of these trade relations and the business that may accrue from them in the future.

Mr. Pepin: You said all that this afternoon.

Mr. Downey: It would seem that with the European Common Market countries tending to become dependent upon each other and to be more restricted to that area, it becomes imperative that the general attitude which we present to our trading partners in the Pacific rim grow in importance as the years go by. There was an article in one of the newspapers recently about the possibility of trading relations between Pacific rim countries and the United States breaking down where they have been able to establish voluntary quotas.

Mr. Pepin: What papers do you read?

Mr. Downey: Controls may now become mandatory, and I suggest that we must at all times maintain a strong trading relationship with these countries. With regard to clause 27 of the bill and the import controls which could be exercised under it, I can only say that it has nothing to do with the textile board or protection of the textile industry. In fact, the textile industry could be specifically named. I do not believe in the type of restriction that is imposed here with regard to imports. I say they should be more specific, that it is almost impossible to accept a clause with such a broad range.

The Minister of Industry, Trade and Commerce (Mr. Pepin) should be the first to understand the implications of a clause of this nature. We had before the committee Mr. Dixon of the Canadian Importers' Association. I would like to read a section of their brief in which he tried to make a point in regard to the statements I have just made. In his brief, presented to the committee on February 16, he said that the tragedy of the proposed legislation is that it will seriously offend the majority of Canada's overseas customers. He said that all Canadian agricultural producers, primary resource producers, exporters of Canadian manufactured merchandise and, above all, the Canadian consumer will be affected.

The Consumers' Association of Canada was before the committee and expressed their fears that they would have to pay a higher price for textile commodities that are normally imported into Canada. They said this could tend to drive up the price of goods in other areas as our relationship with other countries deteriorated. As trade relationships with other countries deteriorate, we will find them cutting off Canadian imports; and I would point out that many of these countries are importers of Canadian raw materials. Again I state that we must look at this question from the western point of view and we might run into a situation where retaliation may come in the form of cutting off the importation of our raw materials, many of which come from western Canada.

I say to the minister again that I hope he appreciates the importance of maintaining good will in the area of international trade, and I hope he will take these matters into consideration before opposing the amendment before us.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): I should like to comment on one or two of the points that have been made, Mr. Speaker.

Mr. Speaker: Order, please. I wonder whether the parliamentary secretary would address the Chair from his seat in the House. He realizes that we are not in committee and that he should address the House from his seat.

Mr. Horner: He will have to speak without the help of your minister's knowledge.

Mr. Howard (Okanagan Boundary): In my enthusiasm to enlighten the House, I rose in the wrong place.

Mr. Horner: It is not the first time.

[Mr. Downey.]

Mr. Howard (Okanagan Boundary): I want to say a word or two, first of all, about the concern that has been expressed by some hon. members this evening which implies that a reference to other goods was somehow slipped into this bill so that hon. members would not be aware of it; that their attention was not drawn to it and that they were ignorant of the fact. There was no reason for them to be ignorant of the fact.

Perhaps the hon. member for Peace River (Mr. Baldwin), who was not present in the committee, would not have had an opportunity to take part in all the discussions, but other hon. members who have spoken this evening were present at a number of the committee's sessions when we went over each clause carefully and discussed all aspects of the bill. I would have thought they would have picked up that point somewhere along the way. If they did not, the minister in a speech on second reading of the bill mentioned this point specifically. I will quote it to remind hon. members of what was said at the time. The following is a short section from that speech:

> The new textile policy envisages the application of a unilateral measure including import quotas, in cases where a negotiated solution, such as a restraint agreement, cannot be reached ... The amendment in the bill would enable the government to do this. However, the new subclause could be invoked only after a formal determination of injury by the textile and clothing board in the case of textiles and clothing and by the anti-dumping tribunal in the case of all other goods.

I repeat, "in the case of all other goods".

Mr. Horner: Oh, oh!

Mr. Howard (Okanagan Boundary): This was said by the minister in his speech on second reading. Mr. Speaker, I feel that if members of the Official Opposition, who apparently are opposing the bill this evening—

• (8:50 p.m.)

Mr. Baldwin: On a question of privilege, Mr. Speaker, the parliamentary secretary has no right to say that we are opposing it. We are opposing certain very bad, repugnant provisions in the bill, not the bill itself.

Mr. Howard (Okanagan Boundary): It is very difficult to tell that from the comments made by a number of hon. members. I was under the impression that many of them were opposing the bill quite strenuously. Perhaps they are not too sure of their own position on this matter. I want to comment on the statements made by the hon. member for Peace River concerning clause 27. I point out that this clause deals very specifically with the purpose of the bill. I shall read some of the comments made during second reading. In his opening remarks on second reading the minister referred specifically to this section in the Customs Act and said:

> There have been cases in the past where countries agreed to restrain their exports in order to prevent a serious disruption of the Canadian market but were unable to do so effectively ... the new policy envisages continued reliance on negotiated restraint as the principal means of protecting against disruptive imports. However, such an approach can only work if the agreed restraint levels are effectively enforced. The proposed amendment to the Customs Act will enable the government to assist the exporting countries in fulfilling their commitments.

Cases have arisen in the past where exporting countries which made commitments to restrain exports of a certain nature to certain quantities were unable to do so because they found they did not have the means with which to accomplish this objective. So if the policy is to be enforced at all it will have to be enforced by this government in Canada, and the Customs Act is the means by which these objectives can be brought about.

I mentioned earlier that the new policy envisages continued reliance on negotiated restraints as the principal means of protection against disruptive imports. We do not need to change from that policy, but it has to be effectively enforced. That is the reason for including this clause in the bill, to ensure that if necessary, and when necessary, it is possible to invoke the Customs Act in order that voluntary restraints may be effected. Many countries are not too happy about voluntary restraints, but they accept them and are happy to have our assistance in enforcing them. In fact, there have been instances where such countries have come to us and asked us to invoke the powers we have under the Customs Act. That is all I shall say on the clause that is before the House. I believe the minister wants to make some additional comments in regard to the question raised by the hon. member for Edmonton West (Mr. Lambert).

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The hon. member is wondering whether, in the case of action taken by the government by order in council published in the Canada Gazette, as my Parliamentary Secretary has just explained, the government would be obliged as in the case of a surtax, to ask the House for agreement to take or extend such action. The answer is no, Mr. Speaker.

But, as explained by my Parliamentary Secretary, it is clear that clause 27 will be applied only after consultation with the country which has agreed to voluntarily restraints of its exports, after full exploration of all possible and available means to have the voluntary agreement enforced by that country itself.

I would like to emphasize that it would be rather dishonest on the part of the government of Canada to allow a country which has accepted to limit its exports to violate its own agreements and to export more than its quotas to Canada while other countries which have accepted voluntary restraints would respect their commitments.

I think it is good policy not to make any exception for those that do not accept to fulfill their commitments or cannot do so. Therefore, I do not see why, to reply to the hon. member for Edmonton West (Mr. Lambert), the government should come back to the House to seek authority to do what is, after all, quite normal and desirable.

[*English*]

Mr. John Burton (Regina East): I want to speak on this clause for only a couple of minutes, Mr. Speaker. I really want to deal with some of the implications, as I see them, of the last two clauses and the amendments thereto which we have been discussing. Before doing so I would like to note that it would considerably facilitate discussion of these bills, whether in the House or in committee, if relevant references were included in bills' explanatory notes. There is an increasing tendency by the government to omit explanatory notes completely. It seems to me perfectly reasonable that when an amendment refers to another section of an act now in force, it should be included in the explanatory notes.

It would seem that there are serious implications in the provisions of clauses 26 and 27. It would appear that through these clauses the government is arming itself with extra weapons with which to carry on its trading relationships throughout the world. Perhaps these powers are needed by the government. There are indications that from time to time they will be needed in carrying on our trading relations. At the same time, I am sure it would be acknowledged by the government that they are restrictive in nature and, as such, carry ominous portents in terms of what may be coming in our trading relations. I only hope that the passage of clauses such as these will not contribute to a trend toward restrictive trading practices throughout the world.

We have some serious problems in our trading relations, but I hope everything possible will be done to prevent clauses such as these being interpreted in a way which would indicate that Canada may be contributing to a more restrictive and protective pattern of trading practices throughout the world. As I said, the powers which are contained in these clauses may indeed be needed by the government in dealing with certain situations. Their wording is quite clear. Nevertheless, a word of caution should be sounded that this is not the type of trend we want to see in our trading relations. It would be contrary to Canada's interests if it were found necessary to proceed in this direction.

Mr. Pepin: On this point, Mr. Speaker—

Mr. Speaker: Order, please. The minister has already spoken and can reply to the hon. member only with the consent of the House. Is this agreed?

Some hon. Members: Agreed.

Mr. Pepin: This will take just one minute. First of all, there is an explanatory note in the original version of the bill which was used in the committee study. Secondly, I have listened to hon. members on the opposite side cautioning me against protectionism and, since I have the memory of an elephant, I can remember some of the things that were said on the subject of the use of the Export and Import Permits Act. As recorded at page 5320 of *Hansard* for February 10, 1969, the hon. member for Calgary Centre (Mr. Harkness) said:

> Speaking for this party I would say we are not only in favour of this legislation—

That is the Export and Import Permits Act

> —being renewed but that we are strongly in favour of it being used more effectively than has been the case in the past several years.

Textile and Clothing Board Act

● (9:00 p.m.)

We heard from the hon. member for Waterloo (Mr. Saltsman), and he seemed to contradict the hon. member for Regina East (Mr. Burton). I know all hon. members speak independently; nevertheless, when a member speaks on behalf of his party, that should mean something. The hon. member for Waterloo said, as reported at page 5329 of *Hansard* for February 10, 1969:

> This is very important. But on occasion some of our major industries that are large employers of labour are seriously jeopardized, and I can foresee the necessity for the government to take immediate action.

How can you take immediate action if there is not the legislation which will permit you to do so? He went on to say:

> When such an occasion arises is not the time to start thinking about legislation. The legislation should be in existence and ready for implementation. Therefore we would like to see such blanket powers included in this bill.

Either they were joking or they meant it. I thought they meant it.

Mr. Baldwin: Mr. Speaker, would the minister permit a question? Does he not realize, as is quite obvious from what was read, that hon. members were referring to the use of this legislation with regard to textiles and clothing. That is what they had in mind. The minister knows that and he cannot deceive us in that way. Will the minister not agree with me when I put that proposition to him?

Mr. Pepin: Mr. Speaker, I understand the point raised by the hon. member and I am not without sympathy. I said a moment ago that this has been done in the past and, I suggest, it will be done in the future. The hon. member stands on legalistic virginity. That is his right. But I live here, in the world and in Canada in 1971 and I must try to cope with the instruments at hand. The hon. member will see the quotations that I have read into the record; he will read them tomorrow. The quotations are there and they show that hon. members on the opposition side have requested us to open up this legislation with regard to control on disruptive imports.

An hon. Member: No.

Mr. Pepin: I submit that they have clearly said that, and the record will demonstrate it.

Mr. Baldwin: They were only dealing with the clothing and textile industry.

Mr. Speaker: Order, please. Is the hon. member for Regina East (Mr. Burton) seeking the floor to ask a question?

Mr. Burton: Yes, Mr. Speaker, I ask the minister if he listened to my remarks.

Mr. Pepin: I did.

Mr. Burton: If he listened, he would know very well that I indicated that those powers might very well be necessary. I simply entered a word of caution about their use. My words in no way contradicted what was put forward by the hon. member for Waterloo (Mr. Saltsman).

Mr. Pepin: I am pleased to receive that caution, although there is a limit as to how other hon. members may repeat what we heard earlier. Some hon. members are repeating the speeches they made this afternoon, cautioning the government against protectionism. However, I was very impressed when they told us a few months ago, on another occasion, not to be as cautious as we have been in the past. That was the point I was trying to raise and I think it is well to recall today what was said at that time.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to speak for a moment or two—

An hon. Member: Or three or four.

Mr. Horner: —on the amendments proposed by the hon. member for Peace River (Mr. Baldwin) which seek to amend clause 26 and delete clause 27. If one examines clauses 26 and 27 one can readily understand why the title of the bill, "An act to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof", takes on a very potent meaning. When I spoke on the bill this afternoon I commented on some remarks of the hon. member for Okanagan Boundary (Mr. Howard) before the Standing Committee on Finance, Trade and Economic Affairs which dealt with this whole matter. In committee proceedings No. 15, at page 5 the Parliamentary Secretary to the Minister of Industry, Trade and Commerce used words which are very important because they pertain to the broad aspect of the amendments in clauses 26 and 27.

Speaking about the bill, he said that it heralds a marked change in Canada's assistance to manufacturing industry.

I will be the first to admit that I did not quote him verbatim this afternoon; I recalled what he said from memory. If one checks *Hansard* for this afternoon and compares it with what I have said this evening, one will readily see that clauses 26 and 27 broaden the scope of a textile and clothing board. The hon. member for Okanagan Boundary said that this measure marks a change in Canada's assistance to manufacturing industry and it heralds a marked change. To me, this means that this measure constitutes a marked change toward protectionism, a concept that has long plagued the Liberal party.

Ever since the 1911 election the Liberal party has advocated free trade. In the provinces of western Canada particularly, they have repeatedly said that their party stands for free trade. That is why the amendments put forward by the hon. member for Peace River are very important. Clause 26 refers to "any goods" and clause 27 provides that any goods may be protected if that protection is justified. It is ironic that the hon. member for Okanagan Boundary, who comes from the apple industry area of British Columbia which long has lacked protection, should attempt to pilot this legislation through the committee and the House. It is ironic because the bill and

the amendment to clause 27 deals specifically with manufactured goods. Would processed apples that are used in making apple juice qualify as manufactured goods? I do not think they would.

I point out that this federal government offered the British Columbia Fruit Growers' Association, which is a co-operative growers association, something like $400,000 if they would just forget certain of their problems. That offer would have cost the organization money. The B.C. Fruit Growers' Association stated that they could not accept the offer because it would have cost them $700,000. It is ironic, also, that the minister who ought to pilot this bill through the House has left the Chamber.

Mr. Pepin: I am here.

Mr. Horner: I apologize to the minister. He has seen fit to sit with an hon. member on this side of the House, and I overlooked him.

Some hon. Members: Order.

• (9:10 p.m.)

Mr. Horner: I thought the hon. member would see the light and join a free trade party in the right sense, a party determined to forward Canadian interests, which would lead him to improving our society economics. However, we are blindly asked to protect whatever manufacturing industry might foreseeably need protection in the future.

I grew up in the west. Throughout the years farm organizations have stated that periodically they have to protect the large manufacturing industries in the east without receiving any protection themselves. On every occasion when manufacturing industries have put forward their case it has been made public. However, under clauses 26 and 27 of this bill it does not have to be made public. The minister is nodding his head in the affirmative. I take it he agrees that this protection does not have to be made public. That is not right.

Bill C-215 is entitled "An act to establish the Textile and Clothing Board". Tied on as a rider is the following:

—and to make certain amendments to other acts in consequence thereof

Is the shoe industry "in consequence thereof"? Is a whole host of other industry "in consequence thereof" and may it be brought in under clauses 26 and 27 unknown to the public, as pointed out by the hon. member for Peace River? That is not correct, Mr. Speaker. It may be correct in a legalistic and Parliamentary sense. However, in a country that is striving to protect our solidity and forces are working to unite us, it is not correct. If unity is the question, it is not morally correct.

Mr. Pepin: You made that speech this afternoon.

Mr. Horner: I hear some comments from the minister. I appreciate them. I do not care how many times I make the speech. What is important is how many times the speech registers in the mind of the minister.

Mr. Pepin: It obviously has, if I can recall it.

Mr. Horner: The minister says it obviously has. In addition to registering in the mind of the minister, I want it to register in the minds of the Canadian public.

Mr. Pepin: They are all as intelligent as I am.

Mr. Horner: I believe in democracy. The Canadian people must know what their government is doing. If the government is dealing in secret or unknown to the public, there is no difference between that kind of government and a dictatorship. By including everything within the scope of clause 27 the government is attempting to hide something from the public. The hon. member for Okanagan Boundary sits here without commenting. He said in committee that this heralds a marked change. He acknowledges the fact that this heralds a marked change in Canada's assistance to manufacturing industries.

Where are we going, Mr. Speaker? Are we going to create a climate in which the manufacturing industry in central Canada will have more protection than the part of the country which is rich in raw materials? The country is regionally divided so that some areas have little or limited manufacturing industry. Are we prepared to sacrifice the raw materials in those areas for the manufacturing industries of other areas? The minister is making light of this argument.

Mr. Pepin: I am admiring your histrionics.

Mr. Horner: The minister is making light of this.

An hon. Member: It is too big a word for him.

Mr. Horner: Histrionics is not too big a word for me. I heard it but I paid no attention to it. The minister made light of the argument I was putting forward. That will not endear him to western Canada. The regions of this country are divided. Western Canada is rich in raw materials and eastern Canada is rich in manufactured goods. As a representative of western Canada, I say that clause 27 will provide protection for any and all manufactured goods.

The minister went to great lengths this afternoon to explain the textile board. He is not necessarily knowledgeable on textiles and many other things. After the full explanation on all aspects of the bill, clauses 26 and 27—in particular, by the hon. member for Peace River, I know why there will be the appointment of three persons who are not necessarily knowledgeable on textiles but are knowledgeable on all manfactured goods. This is a radical change in the Liberal party. Up until this time the Liberal party has been able to successfully advocate in western Canada that they are the party of free trade. After the passage of this bill, the government will never be able to convince me or anyone within the sound of my voice—

An hon. Member: That is quite a distance.

Mr. Horner: —that they are the party of free trade. No member of the Liberal party can successfully argue that clause 27 should include all goods other than textiles and clothing. No person can successfully argue that point

unless he is prepared to say that manufactured goods need more protection.

Mr. Francis: Yes.

Mr. Horner: Numerous ministers, including the Minister of Finance (Mr. Benson), have stated in this House that our trade balance is good. If one studied the level of exports he would be proud of the growth of the export of manufactured goods in recent years.

• (9:20 p.m.)

Mr. Pepin: Mr. Hees says the opposite.

Mr. Horner: My hon. friend from Prince Edward-Hastings (Mr. Hees) is talking about total trade.

An hon. Member: Oh, no.

Mr. Horner: I am talking about manufacturing industries. We can be proud of the increase—

Mr. Pepin: I will show him your speech tomorrow.

Mr. Speaker: Order, please.

Mr. Horner: We can be proud of the increase in manufactured goods that we have exported in the last ten years. I see the Minister of Industry, Trade and Commerce nodding his head in approval. I appreciate his nodding because it shows he follows my line of argument and agrees with it. Why, in these circumstances, is it necesary to include in this bill a mechanism which would give the government power, unknown to the public in the majority of cases, to cut off imports which a great many people might find desirable? If we look at the record of the textile industry we find that between 1965 and 1970 it grew at the rate of 3 per cent a year.

Mr. Speaker: Order, I have to interrupt the hon. member to bring to his attention the fact that his time has expired. He can continue only with the consent of the House.

An hon. Member: One minute.

Mr. Horner: Mr. Speaker, I thank you for giving me additional time. The point I am attempting to make is that in the past 10 years growth of employment in Canada has been largely in the service industries. Growth in employment in the manufacturing industries has been limited. By comparison with other industries, the textile industry has grown favourably and at a comparable rate. If one analyses the industry one finds that changes have been made within it. The industry has seen a marked growth in employment, in the dollar value of its sales, in the value of its products and in its efficiency, that is to say, the number of people employed in the industry in relation to the value of production.

While there has been a diminished return to the cotton section of the textile industry, there has been rapid growth in the man-made fibres section. Thus overall the textile industry has enjoyed a relatively good rate of growth by comparison with other manufacturing industries, and from this standpoint legislation of the kind now before us can only have the effect of narrowing the horizon for all those who want greater opportunities to exist within Canada.

Mr. Howard (Okanagan Boundary): Mr. Speaker—

Mr. Speaker: The parliamentary secretary has, of course, already spoken. I draw the attention of the House to the fact that we are not now in committee and hon. members cannot speak more than once without the unanimous consent of the House. I suggest, too, that if ministers and parliamentary secretaries speak more than once, the debate might well continue for quite a while.

Is it the pleasure of the House to adopt the motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to section 11 of Standing Order 75(11), the recorded vote on motion No. 7 stands deferred.

Mr. J. H. Horner (Crowfoot) moved motion No. 2:

That Bill C-215, an act to establish the Textile and Clothing Board and to make certain amendments to other acts in consequence thereof, be amended by renumbering clause 8 in line 11 at page 4 as subclause 8(1) and by adding immediately after line 20 thereof the following:

"(2) The board, on receiving notice of a complaint, shall immediately notify the person or persons involved in the importation of the alleged textile and clothing goods so that the person or persons could put forward reasons as to why the importation was not injurious to Canadian production."

He said: Mr. Speaker, in support of my amendment to clause 8, I should like to point out that in my view we are dealing here with the crux of democracy.

An hon. Member: Ah!

Mr. Horner: I heard some sad moans. I hope they did not come from the minister, because he holds a responsible position and as a member of a responsible government he must be prepared to adhere to the principles of democracy. Clause 8 sets out the duties of the board and relates to the filing of petitions by those whom imports affect. I attended as many of the committee proceedings as I could and I was especially concerned about the proceedings which are the subject of report No. 19. I heard evidence on that occasion which convinced me that this bill creates more uncertainty within importing industries in Canada than is now the case with a country such as Russia.

I do not intend to quote from the committee report because I am hypersensitive to charges of holding up legislation around this House, particularly today. Therefore, I shall not quote from committee proceedings No. 19. But witnesses did state that because of this bill they

would be better off if they were in the importing business in a country such as Russia, because they would know exactly what goods they could import and what goods they could not import. Within Canada, after this bill passes, they stated they would not know with any certainly what goods they could or could not import. They say this bill would give the textile board the power to convince the minister that importation embargos should be placed on the importation of any goods which under section 8 could be said to be injurious to Canadian manufacturing industry.

• (9:30 p.m.)

From reading the committee proceedings one could convince oneself about the length of time for which goods could be curtailed from importation. In *Minutes of Proceedings and Evidence* No. 15 the hon. member for Coast Chilcotin (Mr. St. Pierre) asked a number of questions about the meaning of the word "duration". On the same page the hon. member for Okanagan Boundary (Mr. Howard) said that the policy is not to spell out a specific period of time and that clause 18 (d) deals with prospects for the industry to become internationally competitive. We return to the argument I made this afternoon which has not been disputed by the minister or by the hon. member for Okanagan Boundary. At this point the chairman interjected and asked whether the question was in respect of clause 17 (3) and the hon. member for Coast Chilcotin said:

> It is clause 17(3) that I am questioning on, Mr. Chairman. The word "duration" is there: "the board . . . shall specify the recommended scope and duration."

I shall omit a few words of the hon. member for Okanagan Boundary which are inconsequential at this point. Then Mr. Drahotsky, general director, office of industrial policy, stated:

> The intention, really, is to leave this to the discretion of the board. In some instances, it might indeed specify a definite period; in other cases, it may simply recommend that the situation be reviewed from time to time.

These are the words I want to emphasize—that the situation may be revised from time to time. In other words, if a person feels he is being injured under clause 8, of this bill he may file a complaint and a board of inquiry could be held which might recommend to the minister that importation of a commodity be cut off until the inquiry was completed or until the injurious effect of the importation had in fact ended. Mr. Drahotsky at page 8 states that it may simply recommend that the situation be reviewed from time to time.

We have seen governments which have the ability to stall the most normal things from time to time, but here we have a situation in which an importer may have a number of dollars worth of imported goods on the high seas or he may have made a purchase in a foreign country; the importer need not be notified, under clause 8, that the board has received a complaint which has been filed in respect of the importation of those goods. Then suddenly the importer learns that his goods will not be allowed into Canada, he is out "X" number of dollars and Canadians will be deprived of whatever it was that the importer thought he could sell on this market.

My amendment specifically asks for a democratic right in a democratic country. If the government is about to take action in respect of a specific imported commodity, the importer should be notified and have an opportunity to present evidence. We have the Bill of Rights which spells out that no man shall be judged without having his day in court. This bill, however, in essence provides that an importer may be tried without being notified.

Mr. Pepin: Read clause 12. It is all there.

Mr. Horner: The minister suggests that I read clause 12. I suggest that the minister read committee proceedings No. 19. He was not present at those hearings. At those hearings the importers clearly stated there is no provision in the bill that the board would have to notify the importer that his goods were subject to an inquiry because they were considered to be injurious to the products of an established company producing similar or like goods.

Mr. Pepin: Answers were provided.

Mr. Horner: The minister says answers were provided. I would inform him that when I attended the meetings of the committee on that particular occasion the answers were not provided to my satisfaction or to the satisfaction of the importers. The minister refers to clause 12, but that clause does not specifically apply in this case. It applies only once the decision is made by the board.

Mr. Pepin: No.

Mr. Horner: The minister says no.

Mr. Pepin: The decision to hold.

Mr. Horner: I have listened patiently to the minister. Clause 12 specifically spells out that the board may in a manner specified by its rules receive evidence submitted to it by interested parties. It does not say the board shall notify the interested parties and that the interested parties shall have the opportunity to submit evidence whenever a complaint is made against the importation of a particular product. If the minister would like me to move an amendment—

• (9:40 p.m.)

Mr. Pepin: Oh, no.

Mr. Horner: —or if I could have the unanimous consent of the House, I would move an amendment that under clause 12 "may" be changed to "shall", so that it would read, "the board shall, in the manner specified by its rules" receive evidence. The minister nods his head in approval of the suggestion I am making. I appreciate his acknowledgement of the point I am making. The amendment which I am proposing is that the board, on receiving notice of a complaint, shall notify the person or persons involved in the importation of the textile and clothing goods. Knowing now, as I do, the full import of

clauses 26 and 27, I should have added after "textile and clothing goods" "and other goods", so that the importers could put forward reasons why the importation was not injurious to Canadian production.

The only criticism I have of the amendment is that owing to my busy schedule I did not fully realize the importance of clause 27 and I should have added after the words "clothing goods" "and other goods". But not having done that, the amendment stands as it is. Clause 12 clearly states that the board may receive evidence if it so decides. If they want to rule autocratically and bureaucratically they may decide that they do not want to hear any further evidence. We must bear in mind that this is a protectionist bill. The Liberal party has become a protectionist party for the Canadian manufacturing industry. They have cast western Canada and its free trade aspirations to the wolves.

Mr. Pepin: Try to import wheat into Canada.

Mr. Horner: The minister suggests we should import wheat into Canada. I have always felt that that is the true feeling of the Canadian government. They do not want to sell wheat; they want to import it. But we have a surplus of wheat in this country.

Some hon. Members: Louder.

Mr. Horner: What kind of poppycock is this? Of all the nonsensical positions that they may take, this is the most nonsensical. I have established this afternoon that the main purpose of this bill is to rationalize the textile industry. To this I have no objection. The rationalization of the textile industry first of all establishes the principle that we shall not build the textile industry solely for the Canadian market but that we should do so for the international market. The minister has admitted that in building the textile industry for the international market we must compete in sophisticated textile goods. He also said that we must protect the industry. This is where his rationalization and his logic fall down.

The minister said we must protect existing textile industries from low-cost production areas of the world such as the Pacific rim countries, which are our greatest customers. One of those countries is Korea. The Speaker of the parliament of Korea was present in the House. A reception was held in his honour. It is interesting to note that we export around $18 million worth of goods to that small country and we buy $15 million worth of goods from them. Most of the goods we buy are of low standard so far as the textile industry is concerned. We cannot compete with their price in the international market. But most of the goods which we sell to Korea come from western Canada.

It is interesting to note that so far as the rationalization program is concerned, the minister's logic falls down because we cannot build a viable textile industry within Canada to compete with low-cost textile producing areas. We can compete best with highly sophisticated textiles of countries such as Great Britain and the United States. It is also interesting to note that in our production of highly sophisticated textile goods we require more man-made fibres. The most rapid growth in the Canadian textile industry has been with man-made fibres. In fact, 46 per cent of the textile industry in Canada is concerned with man-made fibres. Supposedly, this bill protects the industry, but clause 8 of the bill rules out the hearing of any person who may be injured by the actions of the board.

It is interesting to note that in Canada, where many people are concerned about buying back Canadian industry, we find the Canadian government prepared to protect an industry which is completely foreign-owned. The section of the textile industry involved with man-made fibres is completely foreign-owned. It is owned by five foreign companies—and that section of the industry has the greatest growth potential. Let us consider the rapid growth of the carpet industry alone. The market for carpets in Canada has rapidly increased; carpets are being used in schools, municipal buildings and many other places.

Mr. Pepin: Mostly red carpets!

Mr. Horner: I do not understand the purport of the minister's comment. If there is any significance in the colour red, I would like him to know that I like red cattle. I do not know what he means by red carpets. Maybe he means Red China. Perhaps he is referring to Tories who call themselves red Tories. I have no appreciation of red Tories. I like red cattle. In any case, the point I am making is that when one looks at the growth potential of the textile industry in Canada one cannot exclude the rapid growth of the man-made fibres sector of the industry.

In 1950 man-made fibres constituted about 19 per cent of the textile industry in Canada. By 1970 or 1971 man-made fibres accounted for 46 per cent of the textile industry. The carpet sector is growing by leaps and bounds and the last five years have seen an increase of 25 per cent in this area of the industry. The prospects for this sector of the industry are unlimited. If the purport of this bill is protection for a viable industry, one able to compete in the international market, there must first be a high degree of sophistication, which automatically requires a high degree of man-made fibres.

• (9:50 p.m.)

The government makes great claims about Canadian ownership. It has made the bold boast that it will buy Home Oil purely for the sake of Canadian ownership. But now it introduces a protectionist piece of legislation. The hon. member for Okanagan Boundary, openly and perhaps proudly—I did not attend the committee that day so I cannot say how proud he was—stated that this new legislation heralded a marked change in Canadian assistance to manufacturing industries. I say that the man-made fibre sector of the textile industry has great potential, but in Canada it is completely foreign-owned. If the minister or his parliamentary secretary would like me to read the evidence which supports that claim, I will do so. During the committee proceedings the parliamentary secretary said that basically five companies own it all. Mr. Speaker, it is completely foreign-owned.

This is a protectionist piece of legislation. It may well be passed at the expense of those regions of Canada which produce raw materials. This minister purports to be a minister of trade and commerce. I say he is a minister of protectionism. If I were to use an old western expression, I would say he is a minister of protectionism of the first water. We in western Canada ever since the turn of the century have advocated that free trade is the essence of growth. I would like to quote a former Prime Minister's verbiage in this House when he said that the Liberal Party stands for free trade. That Prime Minister's parliamentary secretary, the former member for Leeds who was later appointed a judge, stated in this House that protectionism would lead us to stagnation.

Where does the Liberal party lead us with this bill? They lead us to an undemocratic situation, because under clause 8 the accused is not given the right to be heard. I know the minister points to clause 12, but clause 12 says that the board "may receive evidence." I am not a lawyer, Mr. Speaker. Sometimes I have wished that I had become a lawyer and sometimes I am thankful that I did not. But I do know the meaning of the words "shall" and "may". "May" means that discretion lies with the board; it "may" decide to hear evidence from a person accused of importing textiles or other goods that are injurious to a Canadian manufacturing company.

If this board were set up as the hon. member for Dauphin (Mr. Ritchie) suggested, with every region represented, I would put some faith in it. I think there would always be one or two of its members who would advocate that the accused be heard, that he be given his day in court. My amendment clearly provides:

The board, on receiving notice of a complaint, shall—

I emphasize the word "shall".

—immediately notify the person or persons involved in the importation of the alleged textile and clothing goods—

I emphasize again that I should have included the words "and other goods." All members of this House must believe in democracy. They must believed that an accused is entitled to his day in court. But the word used in clause 12 is "may." I say that if we truly believe in democracy we should stipulate that the accused shall have his day in court. On that point I rest my argument.

PROCEEDINGS ON ADJOURNMENT MOTION

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

GRAIN—TIME OF PAYMENTS TO FARMERS UNDER STABILIZATION PROGRAM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I asked permission to discuss this matter tonight in order to find out from the responsible minister when it is proposed to make payment of the funds which the government has decided to make available to western grain growers, and to stress the urgency of the matter. I point out to the minister that in his statement on "Proposals

for a production and grain receipts policy for the western grains industry" he said that Prairie farm cash receipts from the six major grains, wheat, oats, barley, rapeseed, flaxseed and rye were $878 million in the 1969-70 crop year, down $270 million from the figure of $1,148 million for the preceding five years.

I think the minister himself established beyond question the urgency of the income situation in western Canada. It was this that led me to ask, on February 22, when the payments would be made. Answering my question, the minister said—and he was referring to whether payments would be made before seeding time, or June 1:

• (10:00 p.m.)

I would envisage that it would depend on the specific provisions of the legislation, which of course is not yet before the House. Therefore I doubt that there would be any possibility of this happening before seeding.

Earlier, on February 10, 1971, I had again asked the minister how soon that legislation would be brought forward. In part he replied:

We are conscious, of course, of the desirability of having this money in the hands of the grain producers as soon as possible, and I hope that as the legislation comes forward it may secure speedy passage so that this can be accomplished.

I emphasize the minister's saying that it is desirable that this be done as soon as possible. The point I wish to make tonight is this. Following certain decisions the minister has made, it is no longer necessary for him to wait until the legislation is brought down to take action on the distribution of these moneys. He has decided on the method. He has said that it is to be an acreage payment. He has stated the amounts, approximately, that will be paid on each acre and the total acreage upon which the payments will be made.

The method is not in any way tied to the details of the plan he has set out, because under the stabilization plan the idea was that the payments would be made out of funds to be raised under the plan and they were tied to payments that would be made on the grains as they were marketed in current crop years. I would point out to the minister that the legislation which he proposes to introduce will probably be discussed in committee and in the House. In that connection I wish to read a paragraph from the March 16, 1971, Saskatchewan Wheat Pool News:

The pool's board of directors also contended that two per cent of gross receipts producers are being asked to contribute is too high in relation to the plan's benefits. Also it said the plan should include features to take care of steadily rising costs of operation.

I urge the minister, since the plan has been made and since this matter is not tied in specifically any more to deductions under the plan, in the interests of the farmers to take action, to release this money and to put the machinery in motion for paying it out. I urge him to proceed as soon as possible, bearing in mind the short fall in income which I have described and the need of the farmers in the area. I am sure he has received letters similar to those I have received, setting out the extreme hardships which many farmers are facing at this time of

year, and now the costs of putting in a crop will be added to their ordinary living costs. That is why I asked the minister when he would make these payments and that is why tonight I urge him to take action as soon as possible.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, from the earlier discussions to which the hon. member referred it was clearly part of our thinking that it might be possible to secure somewhat earlier payment than had originally been intended, if the payment was not tied to the calculation of receipts for the crop year. This has now been determined, both in order to allow a somewhat earlier payment and also because the base for payment would have been a little difficult in this particular year if crop receipts had been the guide. The plan of payment is none the less very much tied to the whole series of proposals.

The hon. member referred to a number of things which were said when the plan was announced the other day. He did not mention that it was specifically indicated that this was in the nature of a transitional payment, recognizing the proposed phase-out of the Temporary Wheat Reserves Act and the fact that the stabilization plan in its more formal fashion will begin a year from now. This is very much a fact. While we have done certain things, such as the $10 million market development every year and the announcement of the $40 million market forage program, this is a group of things that would be best dealt with together. I will be seeking the hon. member's co-operation in moving the legislation speedily forward so that payments can be made. I know how much it will be welcomed in the Prairie region.

The money is important. It is also important—I think the hon. member appreciates this—that we should not mislead eastern or central Canada into thinking this is some kind of handout, which could happen if it were separated from the rest of the proposals in the plan. It is very much a part of the over-all stabilization plan and a phase-out of the Temporary Wheat Reserves Act. It is important that it be kept as one package. There is already far too much misunderstanding in parts of the country about the needs and justice of the case of the prairie farmer for this kind of assistance.

FISHERIES—CONVENING OF INTERNATIONAL CONFERENCE ON CONSERVATION OF MARINE RESOURCES

Mr. Walter C. Carter (St. John's West): Mr. Speaker, on February 23 I directed a question to the Minister of Fisheries and Forestry (Mr. Davis) inquiring what action had been taken by his department to convene an international conference on the conservation of our marine resources. The minister replied that the fisheries of the north Atlantic came under the scrutiny of the International Commission for Northwest Atlantic Fisheries which would be meeting in Halifax in June.

My colleagues agree that the government has a very serious obligation to take the necessary initiatives to convene an international conference of the fishing nations of the world for the specific purpose of reaching agreement on an effective method to conserve and manage our marine resources. We believe that this matter is important and urgent enough to demand, if agreement among all nations is impossible, this government to take unilateral action to protect and conserve this vital resource.

Canada has become the laughing stock of the fishing nations of the world. It has adopted a jellyfish-type policy. While the minister and the government sit around and play the traditional role of being nice fellows, the Russians, East Germans and other foreign fishing countries are plundering our marine resource right under our noses. We are being raped without even as much as a mild protest. Our inshore fishermen in Newfoundland have had their catches reduced to half what they were ten years ago. In the same period, the total catch in the northwest Atlantic by member nations of the International Commission of the North Atlantic Fishery has increased from two million tons to four million tons. The catch of the Soviet Union in that area in the same period has increased from 117,000 tons to 741,000 tons. What more evidence does this government require to recognize the serious danger of depletion that is facing the fishing industry in eastern Canada?

The Secretary of State for External Affairs (Mr. Sharp) is too concerned about upsetting the cocktail circuit in Europe. He does not want to upset the cocktail circuit by imposing regulations which might cause some offence. He would prefer to see our fishermen lose their nets and continue to be at the mercy of foreign trawlers and draggers than take action along with the Minister of Fisheries to put an end to this plunder.

• (10:10 p.m.)

There are a number of difficulties facing the east coast fisheries, not the least of which is the question of the 12-mile limit. I recognize it might be impossible at this point to enforce regulations beyond the 12-mile limit but I contend that the government has a serious obligation to proclaim a 12-mile limit right around the coast. I know they have done so to an extent, after a great deal of urging on the part of my hon. friends and myself. The 12-mile limit has been proclaimed around part of the coast of Newfoundland, but I maintain that all our coast should be protected.

How would any hon. member feel if he were to go into his driveway and find, two or three times a year, that his car had been demolished or damaged by an outsider and that he was unable to do anything about it? How would any hon. member feel if his home were damaged or his lawn destroyed by an outside force? The fishing nets and other gear of fishermen on our east coast are being destroyed almost daily by foreign ships which move in and play havoc without regard for other people's property. When a fisherman tries to prove that they have a responsibility for the damage they have done, they laugh and treat it as a big joke. Canada is becoming a laughing stock among the fishing nations of the world and the captains of the foreign fishing vessels.

I urge the government, the Minister of Fisheries and in particular the Secretary of State for External Affairs, to

take action to convene an international conference on fish conservation. Second, I urge them to give protection to the other parts of the coast of Newfoundland by proclaiming the 12-mile limit in parts of my riding including Placentia Bay, the southern shore and St. John's where almost weekly fishermen are subjected to the depradation of foreign ships which destroy their gear without regard for its cost or anything else.

I hope the parliamentary secretary, who I understand will be replying to me, will impress upon his minister the extent of the problem facing east coast fishermen and the need for the speedy imposition of regulations which will give our fishermen the protection they deserve.

[*Translation*]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, we, on the government side, readily accept the challenge offered by the late show to explain the position of the government on such a pertinent and important matter as that of the conservation of our marine resources which, by the way, has given rise to many questions since the beginning of the current session, both from the hon. member and from his colleagues.

[*English*]

However, the conservation and better management of our marine resources is also one of the top priorities of the Minister of Fisheries and of the government. The Minister of Fisheries has stated in the House on a number of occasions that in order to exercise proper conservation measures Canada must manage the fisheries resource not only in our own exclusive inshore zone but over our large continental shelf. The government of Canada has established exclusive fishing zones and has also established exclusive management responsibilities over wider areas. This is a fact.

I believe the Minister of Fisheries and Forestry (Mr. Davis) through various efforts has made significant progress in a little over two years. This has been widely recognized and acknowledged by many members opposite. Only recently, on March 5, he announced the phasing out of foreign fishing operations on Canada's east coast. The hon. member for Gander-Twillingate (Mr. Lundrigan) referred to the announcement as a very specific move. The hon. member for Comox-Alberni (Mr. Barnett) on that occasion urged hon. members to support the action taken by the government. This is good, but we are not satisfied with this. My minister is hopeful that continued and greater advances will be accomplished within the next few years if not within the coming months. In order to more effectively secure international co-operation on the conservation of marine resources, Canada participates in nine international fisheries commissions.

One of the most important and most successful commissions has been the International Commission for Northwest Atlantic Fisheries. All countries fishing in the northwest Atlantic are members of this commission. Canada will continue to exert every effort within the commission toward better conservation and management of our east coast fishing resources. The next annual meeting of the commission will be held in Halifax from May 27 to June 5 next, at which time we will again press for multilateral agreement on a number of Canadian proposals on the conservation of our Atlantic fishing resource.

NATIONAL DEFENCE—PROPOSED ESTABLISHMENT OF CANEX STORE AT KINGSTON BASE—EFFECT ON MERCHANTS

Mr. Desmond Code (Leeds): Mr. Speaker, on March 16th, I asked the Minister of National Defence (Mr. Macdonald) whether or not his department was planning to establish Canex stores in the Kingston area for the use of armed forces personnel and their dependents, and in direct competition with civilian merchants in the area. At that time the Chair ruled that my question might be considered in the adjournment debate.

I welcome this opportunity to point up the seriousness and the urgency of my inquiries, Mr. Speaker, and to provide hom. members with some background on the Canex system. It is not my intention to question Canex as a concept or to suggest that our armed forces are not entitled to such services. My intention is simply to question the wisdom and the ethics of establishing Canex stores in the areas where military installations are adequately served by civilian merchants and tradespeople.

Canex is an acronym for Canadian Armed Forces Exchange System and, as the name implies, this service is designed to provide armed forces installations with shopping facilities. The range of services provided is very broad and includes such things as groceries, dry goods, clothing, luxury items and other commodities designed to improve the living conditions of military personnel and their families. Mr. Speaker, if it were not for Canex the military personnel serving in remote areas of the country would be denied goods and services to which they are entitled, and their lives would be considerably less interesting and less bearable.

There is another aspect of the Canex system that is worthy of note, Mr. Speaker, and that is the service that the system provides for our military personnel and families serving in foreign countries such as Germany and Cyprus. In such situations our people are able to purchase foods and other goods that are common to their own country, goods that are in many cases unavailable in the markets of the countries in which they are serving. This is a good thing, Mr. Speaker, and I commend those who designed the system initially and also those presently employed in the Canex system. They are doing a very worthwhile job.

However, Mr. Speaker, I return to my original question as to whether Kingston, Ontario, qualifies as either a foreign installation or a remote station where foods, dry goods and comfort items are not readily available. I think we can all agree that exactly the opposite is the case. Kingston has been a military area of some consequence since long before confederation. The people and the merchants of the area long ago became accustomed to living and working with military personnel and families and

serving their needs. Our armed forces are justifiably proud of the contributions they have made to Kingston's social and economic communities and the citizens of the area have done much to integrate the lives of the military people with their own. In short, there is not a situation in Kingston that would justify the armed forces taking extreme measures to provide basic shopping services to the military personnel in the area.

• (10:20 p.m.)

One might argue that the lower prices involved would justify the establishment of Canex stores in the vicinity of any armed forces station in view of the fact that our military personnel are poorly paid. This might have been an argument a few years ago when military salaries started at about $45 or $50 a month, but that has changed drastically in recent years. Now our armed forces are among the highest paid in the world, and while they might feel that they deserve more at least they are making a good living.

There is one more aspect of the Canex question that deserves our full attention, and that is the aspect of unfair competition to the established merchants in Kingston if a Canex store should be established in or near the community. The merchants of Kingston, like merchants in any other community, have invested in businesses to the extent of the local requirement. In the case of Kingston this has meant investing in facilities that would serve the needs of military as well as civilian clientele. If you take the traditional military customers away from Kingston businesses, it is obvious that the loss would be quite considerable and in many cases it would be sufficient to destroy businesses in the city and vicinity.

Needless to say, merchants, merchants' associations and city officials have all joined forces in protest against the planned establishment of Canex stores in Kingston. It may well be that the Kingston situation will establish guidelines for the government with regard to opening Canex stores in other areas across Canada. If they do succeed in opening a Canex store in Kingston, the door will be opened to similar installations in towns where the financial loss to local merchants could be disastrous.

I urge the Minister of National Defence to consult with city officials and merchants' associations in Kingston before the Canex store is approved. There are both short-range and long-range implications in such a policy that should not, and must not, be ignored.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I thought the hon. member had come here to bury Canex, but instead he appears to have come to praise it. However, I am glad to have the opportunity to put on the record certain facts to inform both the hon. member and the Kingston area about the operation of the Canex system.

The policy of the Department of National Defence is to provide through non-public funds, that is to say non-tax funds, resale outlets on all defence establishments whether they be located in urban areas, in remote areas or overseas. The purpose of this policy is twofold: first, to provide a convenience and benefit to the members of the forces no matter where they are directed to serve and, second, to generate the profits required to permit recreational, welfare and morale programs to be maintained at optimum levels.

The hon. member said that there should not be such stores in more settled areas. But I think it must be quite clear that without the inclusion of resale activities at large defence installations within the exchange system, such as those at Canadian Forces Base Kingston or Petawawa, it is doubtful that support could be provided to our remote and overseas installations such as at Inuvik, Chibougamau or Lahr.

I should point out to the hon. member and to Kingston residents that the exchange system is subject to all federal and provincial sales taxes on goods offered for resale. In addition, overhead costs of heat and electricity are gradually being assumed by the exchange system. Insurance on plant and inventory is a responsibility of the exchange system and not the Crown, and I emphasize again that these are not public funds. Except for the base exchange officer, that is to say one employee, all payroll expenses are met by the exchange system. I would argue that the Canex system is not unfair competition with local merchants. In particular, it caters to authorized patrons only, that is, to service families and to civilians employed on the base, while local merchants have the entire population to serve. On the contrary, I would suggest that the increase in population that comes along with a Canadian Forces Base is very much to the benefit of local merchants.

But perhaps the best argument in favour of Canex is an experience I had at Petawawa during the fall emergency. The residents of Pembroke emphasized to me that because the troops were away from the base, local sales had gone down. What better illustration could one have for the proposition that the establishment of a forces base in an area is good for the local business merchants? I thank the hon. member for providing me the opportunity to put on the record once again the facts of the Canex operation.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, March 19, 1971

The House met at 11 a.m.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Third report of Standing Committee on Miscellaneous Estimates, in the two official languages—Mr. Clermont (on behalf of Chairman).

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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[*English*]

PILOTAGE

TABLING OF PART IV OF ROYAL COMMISSION REPORT

Hon. Donald C. Jamieson (Minister of Transport): In accordance with Standing Order 41 (2) I wish to table in the two official languages part IV of the report of the Royal Commission on Pilotage by Mr. Justice Yves Bernier.

An hon. Member: Is that the last volume?

Mr. Jamieson: One more to come.

Mr. Greene: A momentous day.

[*Later:*]

Mr. Coates: Mr. Speaker, I rise on a question of privilege. Is there any possible way we could mark today as a special red letter day to celebrate the fact that this week the Royal Commission on Bilingualism and Biculturalism and the Royal Commission on Pilotage, two of the longest and most expensive commissions in Canada's history, have concluded their work?

Some hon. Members: Hear, hear!

Mr. Jamieson: On the question of privilege, Mr. Speaker, I would like to inform the House that the hon. member's proposition is premature. There is still another volume to come on pilotage.

Some hon. Members: Oh, oh!

23966—67

PROCEDURE AND ORGANIZATION

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. D. Gordon Blair (Grenville-Carleton) moved that the third report of the Standing Committee on Procedure and Organization, presented to the House on Tuesday, March 16, 1971, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

• (11:10 a.m.)

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I need the unanimous consent of the House in reference to a bill dealing with air piracy. The bill is on the notice paper but does not appear on the order paper because I had not filed it in time. I have spoken to the house leaders of the various parties and am assured that there would be unanimous consent if you would ask for it on my behalf.

Mr. Speaker: Order. The hon. member requires the unanimous consent of the House in order to obtain leave to introduce a bill. Is it so agreed?

Some hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING AIR PIRACY

Mr. Eldon M. Woolliams (Calgary North) moved for leave to introduce Bill C-231, to amend the Criminal Code (air piracy).

Some hon. Members: Explain.

Mr. Woolliams: Mr. Speaker, I can be very brief. There have been two incidents of air piracy in Canada recently, one that did not amount to a crime because the party in question changed his mind. This bill would apply where an aircraft is unlawfully seized in Canada and sets down in a foreign country, or is unlawfully seized in a foreign country and sets down in Canada. There are other terms and conditions set out in the bill, but its purpose is to amend the Criminal Code in reference to hijacking or air piracy.

Motion agreed to, bill read the first time and ordered to be printed.

Inquiries of the Ministry

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

POSSIBLE INTRODUCTION OF WAGE AND PRICE CONTROLS—REQUEST FOR TABLING OF STUDIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my questions were intended for the Minister of Consumer and Corporate Affairs who is supposed to be here today, but I am sure the Minister of Finance will be able to answer them in any event since they come within his general area of concern. Is the government directly, or through the Prices and Incomes Commission, reinstituting any efforts to achieve a program of voluntary wage and price restraints or have such efforts been abandoned?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would have to refer this question to the Minister of Consumer and Corporate Affairs. As the Leader of the Opposition knows, when we recently met with the Canadian Labour Congress I indicated that in future as the economy moves upward, and it is starting to move upward now, we would have to worry about the problem of inflation arising again and the economy getting overheated, and I invited members of the CLC to submit any ideas they might have with respect to co-operation between labour, government and management.

Mr. Stanfield: Is the government preparing a plan involving wage and price controls, either selectively or generally, to be introduced in the event of inflation continuing at an unacceptable rate?

Mr. Benson: Mr. Speaker, as the Leader of the Opposition knows, the government is studying and has been studying for quite some time the matter of voluntary or compulsory controls in case they might have to be used at some time in the future. No conclusions have been reached up to this time.

Mr. Stanfield: The minister has said that the government is conducting studies. Would he be prepared to table any such studies conducted by his department or to request that any study conducted by the Prices and Incomes Commission in the area of compulsory wage and price controls be tabled?

Mr. Benson: Mr. Speaker, I would have to consider the matter.

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the oft-stated responsibility of the provinces in this matter I should like to know whether there are continuing discussions with the provinces of proposals with regard to wage and price controls and, in view of the importance of such discussions, whether the minister will make a statement on them or perhaps release any studies as requested by the Leader of the Opposition?

Mr. Benson: Mr. Speaker, we have not yet reached the point where I think it would be useful to have discussions with the provinces directly, although the general problem of future inflation and the efforts that must be made by all governments in order to make sure that there are no serious ups and downs in the economy are discussed with the provinces every time I meet with them.

[Mr. Woolliams.]

* * *

OIL

PROPOSED MACKENZIE VALLEY PIPELINE—DISCUSSIONS WITH COMPANY PRESIDENTS—OWNERSHIP—DETERMINATION OF RATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a question for the Minister of Indian Affairs and Northern Development arising out of the press statement that the minister is planning to meet the presidents of the seven companies involved in the Alyeska project to discuss an alternative Canadian route. Is the minister going to meet this group and is the Canadian government actively promoting the construction of a pipeline from Alaska through the Canadian Arctic and Canadian midwest to the United States?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, next week my colleague the Minister of Energy, Mines and Resources and I will meet here in Ottawa the people most directly involved in Prudhoe Bay oil reserves for preliminary discussion of the alternative solution for routing Alaska oil through the Mackenzie valley. The government therefore does not intend to make concrete proposals.

[*English*]

Mr. Douglas: In view of the minister's statement recently that certain guidelines have been laid down and in view of the discussions which are about to take place I should like to ask either of the ministers concerned whether, if such a pipeline is constructed, it will be entirely under American ownership or will there be some Canadian participation? Will there be participation by the Canadian government in the ownership of such a pipeline from Alaska to the United States through Canada?

[*Translation*]

Mr. Chrétien: There has been as yet no definite decision, Mr. Speaker, but if the hon. member reads the guidelines carefully, he will see that we intend to protect Canadian interests and ensure that Canadians will have the opportunity to participate, if they want to do so.

[*English*]

Mr. Douglas: I have read the guidelines, and the minister said the other day that one of the guidelines was that such a pipeline would be a common carrier. I should like to ask either of the ministers, who will determine the rates for such a common carrier and, particularly, who will determine the rates for Canadian input or output in such a line? Would this be under Canadian jurisdiction and, if so, what minister or agency would be responsible?

[*Translation*]

Mr. Chrétien: Mr. Speaker, negotiations have not yet begun on this matter, so it would be premature to discuss it.

We say in the guidelines, that it should be a common carrier, as the hon. member said, and we shall be discussing this in the future. We do not have a definitive policy on this matter; however, there will be no pipeline if development of Canadian resources is not allowed.

[*English*]

PROPOSED MACKENZIE VALLEY PIPELINE—ECOLOGICAL STUDIES—PUBLICATION OF RESULTS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Has the government invited the Science Council to participate in the ecological studies and will the minister make known the results of these studies before taking a formal stand on this pipeline?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, as early as 1969 an interdepartmental task force was formed and one of the subcommittees under that task force was set up specifically to study ecological questions which they have been doing very comprehensively, as have various government departments, agencies and the private sector itself. Whether or not these studies should be made public at this time or at the time an application to construct a pipeline is made is something we will have to take under advisement.

Mr. Comeau: Since the minister is meeting with these people on Monday, will he be taking a formal stand with the industries or people concerned, and will he have the reports on the ecological studies before making a decision on the pipeline proposals?

Mr. Greene: Mr. Speaker, of course the two decision-making bodies on the question of the safety of the ecology are the Department of Indian Affairs and Northern Development which has the primary responsibility, and the National Energy Board which has an equal responsibility in approving or disapproving a pipeline application. Whether or not it is in the public interest to make the various studies public before such an application is made is something we will consider.

DELAYING OF CONSTRUCTION START ON TRANS-ALASKA PIPELINE PENDING FURTHER NEGOTIATIONS ON MACKENZIE VALLEY ROUTE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask a supplementary question. Can either of the ministers responsible advise whether they now have a definite assurance from the United States that the Prudhoe Bay to Valdez pipeline will not be undertaken until negotiations have been continued and furthered in relation to the Mackenzie Valley route?

Inquiries of the Ministry

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think there is any such assurance. This is an internal matter for the United States of America. The Secretary of State for External Affairs has made Canadian concerns known in regard to marine shipping off the British Columbia coast. I thing all authorities in Washington are aware that we should like consideration to be given to the Mackenzie Valley route, subject to Canadian rules and Canadian decisions, before the Valdez decision is made, but certainly we cannot bind the United States government to await that decision.

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—REPORTED POTENTIAL LOSS TO BRITISH COLUMBIA FISHING INDUSTRY

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development. In connection with the meetings he is to have with American oil interests and prior to the conclusion of those negotiations, would he seek from his colleague, the Minister of Fisheries and Forestry, for his information and for the information of the House an assessment of the report emanating from the United States Department of Commerce that an oil tanker route off the west coast of Canada would result in a loss of $100 million per year to the west coast fishing industry?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as my colleague has said, this is team work and we are in constant contact with the Department of Fisheries and Forestry which supplies us with certain technical data concerning fishing in the Mackenzie River as well as in the Pacific Ocean.

I believe that Department is now studying the report of the U.S. Department of Commerce on how the establishment of a maritime route between Valdez and the United States might affect fisheries in the future.

[*English*]

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg North on a supplementary question and then we will move to another subject.

PROPOSED MACKENZIE VALLEY PIPELINE—SUBMISSION OF ECOLOGICAL GUIDELINES TO COMPANY PRESIDENTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct my question to the Minister of Indian Affairs and Northern Development. When the minister and his colleague meet the representatives of the oil companies on Monday to discuss the possibility of an oil pipeline down the Mackenzie Valley, would they take with them whatever guidelines, preliminary or advanced, that the officials working on guidelines to protect the environment have prepared so that the companies will know that if they are interested in building a pipeline

down the Mackenzie Valley they will have, at least, to meet the standards which have been worked out at the present time?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, we intend to do that. I have said many times that we need another summer of research on the tundra to determine the effect of a pipeline on the permafrost.

An hon. Member: Who said that?

Mr. Chrétien: I have said that many times.

Mr. Douglas: The minister should have taken an interest long ago.

Mr. Chrétien: The hon. member is just becoming interested in this matter now. We have been interested in it for two years and next year will be the third year.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I regret to interrupt the minister, but I suggest that perhaps we are entering the field of debate. I will, of course, allow the minister to complete his answer. As I said a moment ago, we will proceed to the next subject after the minister has completed his reply. I take it that the minister has completed his answer.

* * *

[*Translation*]

INDUSTRY

MINING—MEASURES TO ASSIST NORTHWESTERN QUEBEC

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in the absence of the right hon. Prime Minister, I should like to direct a question to the hon. Minister of Finance.

In view of the difficult situation in which the northwestern area of Quebec finds itself, where mines have stopped operating thus creating an alarming unemployment rate, does the government intend to take steps so as to help find immediate solutions to this serious problem, and is it presently conducting discussions with the provincial authorities so as to help this region?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we have not been approached by the province of Quebec in this regard.

* * *

SHIPPING

CONSULTATIONS WITH INSURANCE UNDERWRITERS RESPECTING ST. LAWRENCE SEAWAY AND HUDSON BAY ROUTES

Mr. Robert Simpson (Churchill): I wish to direct a question to the Minister of Transport. In reply to a question from the hon. member for Mackenzie on Tuesday, the minister mentioned that some of the top people in the insurance fraternity from the United Kingdom, the United States and Canada would be touring the St. Lawrence seaway. He also mentioned they would be thoroughly briefed with regard to the Hudson Bay shipping route. Can the minister say how long these people will be in Canada and whether those interested or involved in shipping through the St. Lawrence seaway have been given an opportunity to speak to these people?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, other than the representatives of the St. Lawrence Seaway and the Department, I am not at all certain just how many others have actually met with the group. I know that they spent the last two days on an icebreaker in the St. Lawrence. I will be meeting with them at lunch hour today. I have not yet met these gentlemen. I hope they will return later this year for a firsthand look at the Arctic, but in the meantime we are briefing them fully on it. As far as I am aware, in the first instance their schedule does not permit exhaustive discussions with private parties, nor can we require them to do so. Nevertheless I feel they will get a very thorough and comprehensive awareness of the exact situation.

Mr. Simpson: The minister also mentioned that these people will be invited back later to have a look at shipping through Churchill. Will the minister make every possible effort to see that the officials of the Hudson Bay Route Association and the officials of the Port of Churchill Commission have an opportunity to meet with these people?

Mr. Jamieson: Yes, Mr. Speaker, I will undertake to do that. The reason it is not being done at this time, as I am sure the hon. member knows, is that there is not much point in having a firsthand look at the Arctic at this time of the year. We have to wait until shipping actually starts.

Mr. S. J. Korchinski (Mackenzie): I wish to ask the minister whether the information garnered from the trip of the *Louis St. Laurent* into Hudson Bay in December and also the trip of the *Manhattan* into Arctic waters will be turned over to these companies for their analysis?

Mr. Jamieson: Yes, Mr. Speaker. We have indicated we will make available to them whatever data we have to convince them that there is not what might be described as extreme or extraordinary hazard involved in ice navigation with the assistance we can now render. Our argument is that rates should be substantially lower on that account.

* * *

INCOME TAX

REPRESENTATIONS BY PREMIER BOURASSA RESPECTING ABANDONING OF PRINCIPLE OF INTEGRATION IN FORTHCOMING LEGISLATION

Mr. Stan Schumacher (Palliser): My question is for the Minister of Finance. Has the minister received representations from Premier Bourassa within the past week or ten days urging that the government of Canada abandon the principle of integration in the forthcoming tax legislation? If so, what was his reply?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I do not think I have received any such representations in the past 10 or 15 days, although the matter was raised by Premier Bourassa at the first ministers' conference when speaking to me.

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EXTERNAL AFFAIRS

ISRAELI-ARAB CONFLICT—CANADIAN REPRESENTATIONS ON ACHIEVING OF AGREEMENT

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Acting Prime Minister. It concerns the perilous situation in the Middle East which has worsened in the last few days. Would the Acting Prime Minister tell us what representations Canada is making, or has made, particularly to Egypt but also to Israel with a view to bringing about some agreement?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Canadian government—

[*English*]

Mr. Diefenbaker: On a point of order, Mr. Speaker, my question is directed to a minister and I have the right to be answered by a minister and not by a parliamentary secretary. If the minister cannot answer me, he can give an answer next week. Parliamentary secretaries are not for the purpose of answering questions that deserve the attention of ministers who travel all over Africa profligately spending Canadian money.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the President—

Mr. Ouellet: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I apologize to the member for Joliette. The Parliamentary Secretary is rising on a point of order.

Mr. Ouellet: Mr. Speaker, there is no provision in the Standing Orders which prevents a parliamentary secretary from answering members of the opposition.

I would have been in a position to reply to the right hon. member, but if he wishes to await the minister's return from a very successful trip to Africa, the latter will be here on Monday and in a position to answer the right hon. member if he really cares to get an answer.

[*English*]

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I want responsible answers from ministers, not from unresponsible secretaries.

Some hon. Members: Oh, oh!

Inquiries of the Ministry

[*Translation*]

BILINGUALISM AND BICULTURALISM

FINAL REPORTS OF COMMISSION

Mr. Roch La Salle (Joliette): Mr. Speaker, in the absence of the Prime Minister, I would like to put a question to the President of the Treasury Board.

I shall refer to the letter of Messrs. Dunton and Gagnon of the Commission on Bilingualism and Biculturalism in which this is clearly stated:

> We hope the government will be in a position to encourage the continuation of studies on fundamental problems of the Canadian duality.

Can the minister say today whether the government intends to make arrangements for the continuation of those studies and for the presentation of a report to the House?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, we have not reached any final decision up to now, but the hon. member may rest assured that any decision will be announced in this House.

[*English*]

DEFINITION OF TERMS "FRANCOPHONE" AND "ANGLOPHONE" AS APPLIED TO PUBLIC SERVICE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a related question on this subject which should perhaps be addressed to the President of the Treasury Board or Acting Prime Minister. In view of the conflicting statements yesterday in connection with the definition of "Francophone", the statement made by the Prime Minister in the House on February 2, who said it was not based on racial origin, and the statement by the Secretary of State, who has the responsibility for implementing the government's policy, that it does depend on the mother tongue, would the Acting Prime Minister be prepared to tell us what the policy of the government is on this very interesting and topical subject?

Hon. C. M. Drury (Acting Prime Minister): I would prefer, given a preference, that this debate be conducted in the committee rather than on the floor of the House, but I think it is well understood that the term "Francophone" or "Anglophone" refers to the origin of the mother tongue of members of the two large linguistic communities in the country.

[*Translation*]

Mr. La Salle: I have a supplementary, Mr. Speaker.

I would like to ask the minister whether the policy aimed at creating a balance between Francophones and Anglophones in the public service in the next few years has been suggested, in view of the reports of the Royal Commission on Bilingualism and Biculturalism.

Mr. Drury: Mr. Speaker, in all policy-making, we have taken into account the recommendations of that Commission.

[*English*]

Mr. Speaker: Perhaps we should go on to another subject. If the hon. member for Annapolis Valley has a further supplementary he will be recognized, and then I will recognize the hon. member for Moose Jaw.

Mr. Nowlan: Thank you, Mr. Speaker. I was not able to ask my supplementary earlier because my colleague had one. Is there any relationship between the decision of the commissioners of the B and B Commission not to proceed with the fourth and fifth volumes of their report and certain remarks by Premier Bourassa at the conclusion of the last federal-provincial conference which would indicate there may be a move away from the original basic principle of the whole B and B concept?

Mr. Drury: I am not familiar with the motivation of the commissioners on this subject, but if it interests the hon. member I will inquire of them.

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CANADIAN PACIFIC RAILWAY

LEVEL OF ACCOMMODATION ON PASSENGER TRAIN, THE CANADIAN, DURING SUMMER MONTHS

Mr. John L. Skoberg (Moose Jaw): I have a question for the Minister of Transport, Mr. Speaker. Given the fact that Canadian Pacific officials have admitted that even on the basis of a greatly extended passenger train they cannot meet the effective demand for places on the Canadian in the summer months, and given the fact that the CPR has announced that it intends to operate a train of limited size this coming summer, can the minister tell us how the government intends to move Canadians who are being urged to travel this summer by every means possible?

Hon. Donald C. Jamieson (Minister of Transport): That is much too complicated a question for me to try to answer in a few words. I will take it as notice and try to answer the hon. member later.

Mr. Speaker: May I suggest to the hon. member that perhaps the question should be asked in a different way? He might inquire of the minister whether a statement will be made. I agree with the minister that it would not be in order for him to make that kind of general statement at this time.

Mr. Skoberg: Very well, Mr. Speaker. Would the minister tell the House whether he will make representations to the Canadian Pacific to have this train remain as it is at present operated?

Mr. Jamieson: It would seem to me that the basic requirement is that there should be facilities offered commensurate with the traffic offering.

Some hon. Members: Hear, hear!

Mr. Jamieson: If there is traffic offering, obviously the way in which it should be accommodated would be to provide adequate service.

PUBLIC SERVICE

NUMBER OF STUDENTS TO BE EMPLOYED THIS SUMMER—APPLICATION DEADLINES

Mr. Norman A. Cafik (Ontario): My question is to the Acting Prime Minister in his capacity as President of the Treasury Board responsible for the Public Service Commission. As the press release by the Public Service Commission on March 15 was unclear in two specific areas, would the minister tell us approximately how many students will be employed directly by the Public Service this summer and, second, what will be the deadline dates for applications for career-oriented positions and for non-career-oriented positions?

Hon. C. M. Drury (Acting Prime Minister): I thank the hon. member for giving me notice of his question. I should like to correct one slight misapprehension. The President of the Treasury Board is not responsible for the Public Service Commission nor does the commission report to Parliament through the Treasury Board. This is a responsibility of the Secretary of State. To answer the two specific questions which were asked, as announced by the Secretary of State on Tuesday, it is anticipated that federal Public Service hiring will be at approximately the same level as in 1970, that is, about 23,500 students. With respect to the distinction between career-oriented and non-career-oriented jobs, the Public Service Commission issued a poster in late December, 1970, to all universities, community colleges and CGEPS outlining the procedure the students should follow in seeking summer employment. This poster stated that the deadline—

Mr. Speaker: Order, please. It seems to me that the minister, while giving important and relevant information to the House, is making the kind of statement which should normally be made on motions. It seems to me the minister is going beyond the requirements of the question put to him by the hon. member for Ontario.

Mr. Cafik: Would the minister state specifically what are the deadline dates for those two types of position?

Mr. Drury: Yes, Mr. Speaker. For the career-oriented programs the poster announced a deadline of February 12, 1971, but the commission is still accepting applications in this field and will do so until March 26, 1971. With respect to the non-career-oriented jobs, there is no deadline.

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MANPOWER

SUMMER STUDENT EMPLOYMENT AND ACTIVITIES PROGRAM—INQUIRY AS TO ISSUING OF OPPORTUNITIES FOR YOUTH PLAN GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Acting Prime Minister. Can the hon. gentleman tell us when we may expect, and when the students may expect, to receive the further release the government proposes in connection with the Opportunities for Youth program which was announced only in

a general way and at a very late date in any event? When can we expect the guidelines so that students and local associations will know how to apply and what they may apply for?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, the Department of the Secretary of State is working intensively on this and I would hope the guidelines would be available very soon.

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ATOMIC ENERGY

PROPOSAL BY BRITISH NEWFOUNDLAND CORPORATION TO BUILD URANIUM ENRICHMENT PLANT—GOVERNMENT POLICY DECISION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Has the minister received an application from the British Newfoundland Corporation to build an uranium enriching plant in Canada and is the government, in view of the job potential of such a project, prepared to expedite the necessary policy decision?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I do not believe I have received an application but I note from press reports that the Prime Minister's office has been notified of the interest of that company in uranium enrichment. As early as last December I indicated the government's interest in this question. There is, of course, no technology available outside the United States at the present time. We will certainly consider the Brinco representations along with any others, and whether if Canada should go into the field of uranium enrichment it should be done in partnership with some agency. Eldorado Nuclear a government-owned company, and other proposals would be considered and we would go into the matter in such a manner as would be in the best interests of Canada.

Mr. McGrath: Mr. Speaker, in light of the minister's answer which indicated that a policy has been formulated on this subject, is the minister prepared to direct Eldorado to enter into discussions with Brinco with a view to facilitating their application?

Mr. Greene: Mr. Speaker, we are willing to enter into discussions with anyone. As I said before, I point out that no one actually has the technology. It is available only in the United States. In so far as the government having a policy is concerned, we of course have indicated our interest but there can be no clear policy when there is no technology available to Canada at the present time.

[*Later:*]

PROPOSAL BY BRITISH NEWFOUNDLAND CORPORATION TO BUILD URANIUM ENRICHMENT PLANT—GOVERNMENT GUIDELINES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question which is supplementary to previous questions concerning the Brinco proposal. Since $950 million would be involved, which is a lot of money, and since it appears foreign companies might enter into the project because it is likely foreign capital would be needed, I should like to ask the minister what the guidelines are at the present time in reference to such a project or is another decision to be made on an ad hoc basis as in the case of Home Oil?

Mr. Speaker: Order, please. I doubt whether the minister should be allowed to cite the guidelines to which the hon. member has referred unless he can do so very quickly. I have some apprehension about this. I would think that normally this kind of a question should be answered by way of a statement, but if the minister can give a brief reply we might hear it and then go on to another subject.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, there are no guidelines as such because, as I said, there is no technology available. Each application would have to be considered on its merits, with the maximum of good to Canada and the maximum of Canadian content as clear criteria.

PROPOSAL BY BRITISH NEWFOUNDLAND CORPORATION TO BUILD URANIUM ENRICHMENT PLANT—PARALLEL DEVELOPMENT OF FUNDY TIDAL POWER

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Will he give consideration to the possible parallel development of Fundy tidal power in view of the fact that this plant could be constructed in approximately the same period of time and on completion it would require two million kilowatts of electric power?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think any comparison has been made to date of these various projects but certainly, as I believe I have indicated to my hon. friend, my instructions are that despite the increasing cost of energy globally and domestically, the fact is that the Fundy power project is still not economically feasible and it would not be in the interest of the Maritimes to foist expensive energy on them. But we are prepared to continue reviewing the study with the provinces, as I have indicated to my hon. friend.

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EXTERNAL AFFAIRS

ARGENTINA—TERMS OF JOINT CANADA-UNITED STATES FOREIGN AID SCHEME

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Acting Prime Minister which he may wish to take as notice. Is Canada involved in a foreign aid scheme with Argentina in concert with the United States, is Canada paying a substantial portion of the cost of this project and is one of the terms of the project that all the machinery and equipment concerning the project must be purchased in the United States?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I will accept the invitation of the hon. member.

Inquiries of the Ministry

ATOMIC ENERGY

ACTION TO IMPROVE COMPETITIVE POSITION IN SALE OF NUCLEAR REACTORS

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the difficulties Canada has had in selling nuclear reactors, would the minister tell us what steps the government is taking to improve our competitive position?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the sale of Candu reactors of course has been going extremely well in the domestic market and we have sold a test reactor to Taiwan, but certainly sales in world markets have been difficult, not because of the capability of our product but because of ancillary benefits given by our competitors. This whole question certainly is one which will shortly require review.

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FINANCE

INQUIRY AS TO PRESENTATION OF BUDGET—SEPARATION FROM TAX CHANGES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance in respect of the presentation of a budget and a financial review. Has the minister made up his mind yet whether he will present a budget in the normal way, what will be its timing and will this budget be divorced entirely from the massive tax changes he intends to propose?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the answer to the first part of the question is yes. The timing has not been decided at the present time. The answer to the second part of the question is that this has not yet been determined.

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EXTERNAL AFFAIRS

INQUIRY AS TO OPENING OF DIPLOMATIC MISSION IN ZAMBIA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is addressed to the President of the Treasury Board. The other day in answer to a question regarding the opening of a diplomatic mission in Zambia the Secretary of State for External Affairs advised that such a project was on his list and he hoped it was on the list of the Treasury Board too. May I now ask the President of the Treasury Board if Zambia has not made it and only Algeria has?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. gentleman would not want me to anticipate announcements which should properly be made by the Secretary of State for External Affairs.

[Mr. Drury.]

REGIONAL ECONOMIC EXPANSION

CAPE BRETON—SUGGESTED PROGRAMS TO ALLEVIATE UNEMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion but in his absence and because of the urgency perhaps I might direct it to the Acting Prime Minister. In view of the very large-scale unemployment on Cape Breton Island, would the minister consider having the Cape Breton Development Corporation embark on a major program, thus providing an infrastructure in conjunction with the municipalities, and also a program of pollution control measures in Sydney Harbour, which would have the double-barrelled effect of creating employment and solving a severe and continuing problem?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I shall be glad to pass on this representation to the Minister of Regional Economic Expansion.

Mr. Muir: Mr. Speaker, I thank the Acting Prime Minister for his reply. I have a supplementary question. In light of the concern expressed by the Metro Alliance for Development at Sydney and the Catholic Social Services Commission at Halifax who have sent an open letter to the Prime Minister regarding the unemployment situation in Cape Breton, and in view of the statement by the Prime Minister in the House yesterday that the Minister of Regional Economic Expansion is constantly considering new initiatives, would the Acting Prime Minister and the cabinet give immediate priority to this most serious problem as unemployment in Cape Breton is at least twice the national average?

Mr. Drury: Mr. Speaker, I can assure the hon. gentleman the cabinet will be giving the consideration to the unemployment problem which it unquestionably merits.

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ADMINISTRATION OF JUSTICE

INCARCERATION OF BOY OF 14 IN BRITISH COLUMBIA PENITENTIARY

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I might direct a question to the Solicitor General. My question relates to a young lad of 14 years of age who only a couple of days ago was fed into the educational system for criminality, namely, the British Columbia Penitentiary. I should like to ask the minister what plans exist for the salvation and rehabilitation of that young fellow?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I shall certainly look into the matter which strikes me as rather odd in view of the young prisoner's age.

[*English*]

Mr. Howard (Skeena): Mr. Speaker, I too am astounded both by this case and the fact that the minister did not

know about it. May I ask the minister whether there exists in a general sense, and whether it would apply in this particular case, a liaison with the provincial governments to ensure that people of this age are not sent to penitentiaries regardless of the circumstances?

[*Translation*]

Mr. Goyer: Mr. Speaker, we will first have to check and see whether a competent tribunal applied the law. If so, we surely cannot intervene in contradiction with it.

Still, if that young man is in prison, we are dealing with a concrete case, and we will certainly consider what steps can be taken for his rehabilitation.

* * *

[*English*]

INDIAN AFFAIRS

SUBMISSION TO PARLIAMENT OF TREATIES MADE PRIOR TO 1867

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development a question and at the same time commend him for his announcement that from now on Indians will be consulted and not have policies imposed upon them without their consent. In view of the new policy which has been adopted by him I should like to ask him whether he intends to place the treaties with Indians made prior to 1867 before Parliament so as to legalize their effect, the Supreme Court of Canada having decided some years ago that those treaties are not binding and have not been binding since 1867 on successive governments?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is a technical problem which I shall be pleased to study. I will see whether this treaty should be tabled in the House. I should like to study every aspect of the question before giving the right hon. member an answer.

* * *

[*English*]

TRANSPORT

DISCUSSION OF WESTERN CANADA RAILWAY FREIGHT RATES WITH PROVINCIAL PREMIERS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the Minister of Transport. My question refers to the recent study and consultations conducted by the minister and his officials with the premiers and officials of the Prairie provinces with regard to the excessively high freight rates prevailing in that region. Can the minister advise the House what, if any, positive results have been achieved through these consultations?

Hon. Donald C. Jamieson (Minister of Transport): Only that the negotiations or talks are continuing. I think I can say that progress has been made. I outlined earlier that the technique decided upon was to look at isolated and specific industries or products that were being affected, and this work is now being done. I will report when there is something definitive to pass on to the House.

Inquiries of the Ministry

NATIONAL DEFENCE

INQUIRY AS TO ACQUISITION OF NUCLEAR SUBMARINES TO PATROL ARCTIC

Mr. Robert McCleave (Halifax-East Hants): My question is for the Minister of National Defence and arises out of a statement by the maritime commander in Montreal. Does the department intend to acquire nuclear submarines for the purpose of patrolling the Arctic?

Hon. Donald S. Macdonald (Minister of National Defence): Not at present, Mr. Speaker.

* * *

HOUSING

APPLICATION OF PREFERENTIAL INTEREST RATE TO LOW-INCOME FAMILY HOUSING REGARDLESS OF NUMBER OF UNITS BUILT

Mr. Walter C. Carter (St. John's West): My question is directed to the minister in charge of housing. Can the minister tell the House whether the government will accept the proposal made by the Canadian Construction Association that the preferential rate of 7⅞ per cent be applied automatically in the case of low income family housing independent of the number of units being built?

Hon. Robert K. Andras (Minister without Portfolio): The lower interest rate to which the hon. member refers is applicable to sections 16 and 35 of the Act. One is public housing and the other is so-called limited dividend housing, and the rate applied is now 7½ per cent. I am not sure whether the hon. member is implying that a further extension of that application be made to other methods of home acquisition.

Mr. Carter: Will the minister say whether the government would consider reducing interest rates and giving a preferred rate to individual home builders in the low income bracket?

Mr. Andras: We did some experimental projects last year along that line, so obviously we are taking a look at it.

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POST OFFICE

IMPLEMENTATION OF NEW MAIL CODES—DISCUSSION WITH UNIONS OF EFFECT ON NUMBER OF PERSONNEL AND WORKING CONDITIONS

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the minister in charge of the Post Office. With regard to the announcement that new postal codes will be implemented which will result in the elimination of about 75 per cent of manual mail sorting by the Post Office, have the employees and their unions been advised of the details of the program and will any possible reductions in personnel or changes in working conditions be discussed with the employees and their unions well before the changes are implemented?

Hon. Jean-Pierre Côté (Minister without Portfolio): I thank the hon. member for asking me this question

because it gives me the opportunity to clarify the press release in which it was said that 75 per cent of the sorting would be eliminated by the machines. What the director of mechanization said exactly is that these letter machines will be able to sort only 75 per cent of the letter mail.

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INDUSTRY

CHEMICALS—DEVELOPMENT OF PROGRAM TO OVERCOME PROBLEMS

Mr. Don Mazankowski (Vegreville): I should like to direct a question to the Minister of Industry, Trade and Commerce relating to the chemical industry and in particular to the minister's response to a question which I directed to him on March 11 wherein he indicated that the government was working on the problems affecting the Canadian chemical industry. Is the minister prepared to advise the House whether in fact a program is being developed to overcome the problems of the Canadian chemical industry and whether the details of such program will be announced in a statement on motions?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): There is such a study going on. That is well known to that industry and I will report on it in due course.

Mr. Mazankowski: Can the minister indicate to the House when he may be prepared to make a statement on motions with respect to the type of program that is envisaged in this study?

Mr. Pepin: I cannot do so at this time, but the purpose of the study would be to try to remedy the basic reason for the difficulties we have been experiencing in the chemical industry, that is, a lack of wider markets which makes it very difficult to be internationally competitive from Canada.

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BUSINESS OF THE HOUSE

TIME LIMIT ON SPEECHES IN BUSINESS OF SUPPLY MOTION

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I think you will find that there has been an agreement among the four parties with respect to the length of speeches in today's debate. The agreement is to the effect that the first or principal spokesman for each party be allowed 30 minutes but that all other speakers be limited to 15 minutes. You will also find that the four House leaders or whips are in agreement that no member should ask for extended time in view of the large number of those who wish to speak today.

Mr. Francis: I wish to confirm that this is the understanding. There is a number of members on this side who hope to participate, and we particularly welcome the comments of the hon. member.

Mr. Speaker: Is it so agreed and so ordered?

Some hon. Members: Agreed.

[Mr. Côté (Longueuil).]

• (12 noon)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO INSTITUTE ECONOMIC PLANNING TO PROVIDE ECONOMIC GROWTH AND FULL EMPLOYMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands) moved:

That this House condemns the government's failure to institute the economic planning necessary to bring about economic growth, full employment and price stability, and particularly its failure to present adequate programs to provide jobs for those bearing a disproportionate share of the current mass unemployment, such as young people seeking permanent work and students who will be seeking summer employment.

He said: Mr. Speaker, the economy of this country is in an unholy mess. The government's restrictive monetary and fiscal policies have produced a veritable nightmare of high unemployment accompanied by rising prices. To verify this statement, one has only to look at figures which were published yesterday by the Dominion Bureau of Statistics with respect to the current unemployment situation. In the month of February this year, the actual rate of unemployment was 8.1 per cent or 675,000 persons out of work. I think even these figures are suspect. The estimate is that the number of persons in receipt of unemployment insurance benefits and claiming benefits is in the neighbourhood of 782,000 persons, and I have never been able to accept the government's argument that the number of persons in receipt of unemployment insurance benefits does not represent the number of unemployed persons. As a matter of fact, there are more unemployed than those in receipt of unemployment insurance benefits because there are many persons who are not eligible to receive such benefits.

But whether one takes the figure of 675,000 or 782,000, one still has to add the 70,000 to 100,000 unemployed persons who are taking training under manpower training programs, so that we are talking about a figure of somewhere between 750,000 and 850,000 persons in this country who are without work at the present time. The significant thing is that despite the measures which were introduced by the Minister of Finance (Mr. Benson) in March, 1970, the actual rate of the unemployment in February of this year is 149,000 higher than it was in February a year ago. The unemployment rate in February 1970, was 6.5 per cent and it has risen to 8.1 per cent in February, 1971. The seasonally adjusted figure has risen over the same period from 4.8 per cent to 6.2 per cent. What is most significant of all is that in terms of the number of persons unemployed, the figure in February this year is the highest since March, 1961, and the rate of unemployment is the highest since March, 1963.

I am not interested in playing the numbers game as to whether unemployment only went up one tenth of a point whereas, if it had not been for the government's programs, it might have gone up two tenths of a point. I am not interested in arguing whether the corner has been turned and whether unemployment is not going

to continue to rise. What this House has to be concerned about is that unemployment in this country is not responding to the policies which the government initiated with a view to curing the unemployment situation, and the government seems to be taking this for granted. There is no concern on the government's part that unemployment, seasonally adjusted, stays at around 6.2 per cent, or that the actual figure is in excess of 8 per cent.

In the Toronto *Star* of February 24, 1971, there was a report that the Prime Minister (Mr. Trudeau), addressing a $50 a plate fund raising dinner in the city of Montreal, said:

> Unemployment is something Canadians will just have to learn to live with.

Of course, I presume he was speaking of other Canadians, not of the ones who had paid $50 a plate to hear him make his speech. Mr. Speaker, those individuals are not likely to be concerned about unemployment. It is not likely that they will suffer the privation, the humiliation, and the hardship of unemployment. It may even be that some of the Prime Minister's friends are not averse to seeing a considerable amount of unemployment because they view the situation with some equanimity. There is some advantage for them if the people who work in their plants know there are two or three unemployed persons out at the gate who would like to get their jobs. This helps to keep the labour force more docile.

At the beginning of the government's attack on the problem of inflation, the Prime Minister said that the government would be prepared to accept 6 per cent unemployment. What disturbs those of us who are in this party is that the government is coming to accept an unemployment figure of between 5 per cent and 6 per cent as a permanent condition in this country. What ought to be the concern of this House is not just what the unemployment figures are from month to month, but what are the long-term prospects of substantially reducing unemployment and attaining full employment for the people of Canada.

Dr. Arthur J. R. Smith, the Chairman of the Economic Council of Canada, has pointed out that if we want to reduce unemployment to 4 per cent in one year—and may I interject that is a higher figure than the Economic Council itself has said would be acceptable, because it put the figure at a maximum of 3 per cent—we would require an economic growth rate in constant dollars of 10 per cent; that to reduce unemployment to 4 per cent over a two year period would require a growth in real output of 7½ per cent; and that to get unemployment down to 4 per cent in three years would require a growth in real output of 6¾ per cent.

I have asked the Minister of Finance to say what he estimates our growth rate will be this year. He has refused to say. He says he will make some estimate in his budget. We will await that with great interest. The fact remains that none of the economists whose predictions I have read indicate we are likely to have a growth rate in real terms of 6¾ per cent this year or during the next three years. I notice that the Bank of Montreal is predicting that unemployment will remain close to 6 per cent in 1971. This estimate is based on its projection of an increase in real output of 5 per cent. The Institute for Quantitative Analysis of Social and Economic Policy at the University of Toronto has forecast a 6 per cent growth in real terms, but with unemployment averaging over 6 per cent for this coming year. Mr. Douglas Peters, the Chief Economist of the Toronto-Dominion Bank, has forecast a slight decline in unemployment, but says, "It is not likely to average less than 6 per cent in 1971."

Therefore, Mr. Speaker, what this House has to face up to is whether or not we are going to be satisfied to settle down in Canada to an unemployment figure in the neighbourhood of 6 per cent. One of the dismaying figures presented yesterday in the report of the DBS is the growing number of unemployed persons who have been unemployed for a considerable period of time.

We are developing a hard core of unemployed. Of those who have been unemployed from four to six months the number is up 29,000 between January and February of this year, and up 48,000 from February of 1970. For those who have been unemployed for over six months this number is up 9,000 between January and February of this year, and is up 56,000 from February of 1970. This is the group that constitutes a hard core of unemployed who could become permanently unemployed unless remedial action is taken.

• (12:10 p.m.)

Another disturbing feature in the figures which were produced yesterday shows that the number of young people under 25 years of age who were unemployed in February of this year reached the astounding figure of 318,000. The number in this category is up 113,000 from the same month in the previous year. Mr. Speaker, I submit that any country with 318,000 of its young people unemployed—almost half the unemployed are under 25 years of age—is headed for trouble. People of my generation remember that in the depression of the thirties young people put up with a good deal of unemployment and deprivation. I do not think that this generation will be as patient and I am not prepared to ask them to be patient if the government is not going to do anything about the fact that almost half of the unemployed in this country are under 25 years of age.

The government has brought down a program for these young people but it is a paste and scissors job, ill conceived and ill considered. Some parts of the program are fine for looking after young people—hostels and kiosks to keep a register of hitchhikers, trips overseas and trips across Canada. There is nothing wrong with such projects, but they will do nothing to provide jobs for young people who have to earn money in order to go back to school or university next year. Neither will they do anything to provide jobs for the young people who are seeking permanent employment.

The economic morass in which we find ourselves is the price we are paying for the government's bungled attempt to wage war against inflation. All of us agreed that inflation had to be stopped but the government consistently refused to take the necessary measures. We in this party advocated such things as a redistribution of

income, expansionist policies to use to full potential the output of our economy, and investment controls to see that investment went into job creating projects and undertakings with a high social priority. We advocated a prices review board to see whether price increases were being artificially stimulated or were the result of genuine economic pressures. We said that if the prices review board was not adequate, we were prepared to support mandatory selective controls provided these were applied to all forms of income and not merely to wages and salaries. The only minister who has said that something like this has to be done has been the Minister of Labour (Mr. Mackasey). In this House he said that some other way must be found to cope with inflation than deliberately creating unemployment.

The fact is, Mr. Speaker, that despite the price we are paying for the fight against inflation, we have not stopped it; inflation has not gone away. I should like to quote a sentence used by the Prime Minister as reported in the *Globe and Mail* of December 24, 1970, because I am sure it will go down in history as one of the gems of Canadian parliamentary wisdom. He said, "inflation no longer exists in Canada".

Some hon. Members: Oh, oh!

Mr. Douglas: Inflation has not gone away Mr. Speaker. Inflation is only simmering for a while. The rising cost of living was temporarily forestalled largely because of the unpegging of the Canadian dollar but it is simmering and is beginning to boil again. The cost of living rose in January and February, and if it continues to rise at the same rate for the rest of the year there will be an increase in our cost of living of 5 per cent. The fact is that the government is caught in a dilemma, a dilemma which is inherent in an unplanned economy. Both the Prime Minister and the Minister of Finance have constantly warned the House, as they warned the Canadian Labour Congress, that too great an expansion of the economy could result in further inflation.

The Governor of the Bank of Canada, Mr. Rasminsky, has just issued his report to Parliament in which he says the same thing. He has warned the government against setting an unrealistic target for economic recovery and over-heating the economy again in the process. Mr. Speaker, those who accept the idea of an unplanned economy are asking the people of Canada to accept one of two alternatives; either we have full employment with inflation or we have price stability and unemployment. This is a horrible choice to ask the Canadian people to make. As a matter of fact, because of the half-hearted measures which the government has implemented we now have both unemployment and rising prices.

Some hon. Members: Hear, hear!

Mr. Douglas: The New Democratic Party contends that we do not need to accept either alternative, that it is not necessary to have inflation because we have full employment nor is it necessary to accept unemployment as the price of price stability.

[Mr. Douglas.]

In its first annual review, the Economic Council of Canada set forth goals for the Canadian economy. They said it should be possible to maintain an annual growth rate in terms of 5½ to 6 per cent per year, that it should be possible to keep unemployment at 3 per cent or less and it should be possible to keep price increases at 2 per cent or less. The Economic Council of Canada was not only setting forth desirable goals, Mr. Speaker, it was setting forth possible goals. I want to say to the government that they would do well to listen to the recommendations made by Dr. Arthur Smith and the Economic Council of Canada rather than the conventional wisdom of Mr. Rasminsky, the Governor of the Bank of Canada. In referring to the desirability of having growth and full economic potential without inflation, Mr. Rasminsky says that this is an extremely ambitious goal, and that it is not realistic. If the government accepts that advice, they will have to oscillate constantly between periods of economic slack and unemployment on the one hand, and periods of full employment and galloping inflation on the other. This would take us through a constant series of booms and busts with the booms getting shorter and the busts getting longer.

I hope the government will listen to the recommendations made by Dr. Smith, because he has set forth programs by which it is possible to use our full economic potential to provide reasonably full employment with, at the same time, relative price stability. The government's failure to accept these recommendations and to implement such a program is the reason that Canada is in the unholy economic mess that it is today.

• (12:20 p.m.)

We, in the New Democratic Party, have contended from the beginning that we must plan the Canadian economy; that people were not made for the economy but that the economy was made to supply human needs. We contend that we dare not leave the direction and manipulation of the economy entirely in the hands of those whose sole aim is the maximization of profits. This road leads to disaster, as we have already discovered. It is completely wrong to assume that, left to its own devices, the corporate structure will produce the results which we want. We have put forward from time to time a number of proposals by which it would be possible to have in this country relatively full employment and, at the same time, reasonable price stability. We have urged the government to introduce an expansionist program. If inflation is too much money chasing too few goods, we ought to be using our productive capacity to produce more goods instead of artificially creating a slack in the economy.

We have called for a redistribution of incomes. It is perfectly apparent that since 20 per cent of the people of Canada live below the poverty line and another 20 per cent live in a state of deprivation, the best way to stimulate the economy and provide full employment would be to create purchasing power in that segment of the economy. Dr. Smith of the Economic Council has constantly urged on the government the need to use

mechanisms for creating effective demand. The government has ignored this advice again and again. The government seems to think that it will stimulate the economy if it keeps making grants to corporations, two-thirds of them American controlled. What we really need is to put money into the pockets of low income groups of this country, so that they have money with which to buy goods. When they are able to buy goods, industry will expand its plant to meet the effective demand of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Douglas: We have called for greater Canadian control of the economy. We believe that unless we exercise a greater measure of control over the economic decisions that affect the welfare of the people of Canada, it will not be possible to plan our economy in the way that is necessary. We have said that if inflation threatens, there are mechanisms that can be set up by which we can make sure that inflation will not take its toll from the people of this country who live on fixed incomes. Always, the Minister of Finance says, "Where are you going to get the money?" Again, Mr. Speaker, the Economic Council has pointed out that this country, because of the slack in our economy, is failing to avail itself of $5 billion a year of potential production which we are capable of creating. Dr. Smith said that we are losing roughly $100 million a week in production which is not being created as a result of the government's policies.

I say in closing, Mr. Speaker, that some of us have gone through this traumatic experience before. In the 1930's in this country we had large scale unemployment, unused productive capacity, an economy that was stagnant and a populace that was suffering. In those days we heard the same story from the government of the day, which was a Liberal government. The argument was that we lacked the money. We could not interfere through the public sector. It was up to the corporate structure to create jobs. We argued that if Canada ever went to war, we should not only find the money to stimulate the economy, but that we should do the necessary economic planning to give the economy direction. That is what happened. Many Canadians forget what happened. They ought not to forget.

They should remember with pride that when Canada entered the war, the economy that had been entirely stagnant became dynamic. We not only put a million men and women into uniform, fed them, clothed them and armed them, but we produced goods we had never produced before. We expanded our economy. We built the third largest merchant marine in the world, and manned it. We not only fed, clothed and housed our own people; we fed and equipped our allies. To prevent profiteering and inflation, we imposed price controls. We did all this without borrowing one dollar outside Canada. We did it with the efforts, the labour and toil of the Canadian people, because we planned our economy.

The New Democratic Party is saying to the government that if we could plan the economy in time of war, when a large part of our production was not going into non-consumer goods, it would be much easier now to plan the economy in a war against poverty and unemployment in order to provide jobs for our people and a high standard of living for all Canadians. This country, Mr. Speaker has tremendous potential. Canada is like a great, blinded giant that has been handcuffed and bound. What it needs now is leadership. That leadership has not been forthcoming, and for that this government can be justly condemned.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, once again during the present session we are discussing the economic and social policies of this government. We are doing so at an appropriate time, that is to say, very shortly after the appearance of the statistical reports that give us some knowledge of the results of the government's policies in fields in which it claims at least to be interested and at a time when the Minister of Finance (Mr. Benson) and his associates are considering, presumably, the forthcoming budget.

Yesterday we heard figures from the Dominion Bureau of Statistics concerning the unemployment situation in February. Those figures were reviewed a few moments ago by the Leader of the New Democratic Party. They show that whereas one year unemployment in Canada had reached the already unacceptable level of about 6.5 per cent, this year the figure had climbed to a level of 8.1 per cent. Notably included within this total mass and massive unemployment which government policies have created is that group of Canadians referred to in the motion we are considering today, the young people of Canada.

That unemployment among those under the age of 25 should be raging at a rate of over 13 per cent is a continuing sad state of affairs. That it is running this high at a time when the student youth of the country are about to flood onto the market seeking summer work is nothing short of a tragedy. Repeated attempts have been made by the opposition to persuade the government to come to grips with the problems of both elements in the youth group, the student element and the regular labour force element. The students finally have received the announcement of the government's plans for them. There are aspects of these plans that have merit. I must certainly take issue, however, with the long delay that the government indulged in before making its announcement. Even now, we do not have any details, any terms of reference or any guidelines about the major elements in the government's proposals for student employment, its opportunities for youth program.

• (12:30 p.m.)

Most of the announced programs simply repeat what has already been done in previous years. No thoughtful person can begin to understand why it took the government so long to do little more than produce a copy of previous programs. Certainly, participation in the programs will be less because of this delay. The consequences and results of that participation will be much

less effective. For the non-student jobless youth of Canada, the government's response is so far consistent with the response it has been giving all the other employed in Canada, a sickening, deafening silence.

Some hon. Members: Hear, hear!

Mr. Stanfield: The figures released yesterday show that the number of men and women who have been unsuccessfully seeking work for more than four months has jumped from 225,000 in January to 263,000 in February, a 17 per cent increase in one month. This is hardly something of which we can be proud. These people are sometimes called the hard core unemployed. The Prime Minister (Mr. Trudeau) used that expression yesterday when he tried to suggest that a seasonally adjusted improvement had taken place with regard to the hard core unemployed. That performance by the Prime Minister was a strange kind of intellectual exercise. It may have created some confusion, and it certainly carried no conviction. I sometimes wonder where the Prime Minister gets his statistics. Can it be the same place where he gets his policies? The statistics are as accurate as the policies are effective. That is not saying very much for either one.

Some hon. Members: Hear, hear!

Mr. Stanfield: In short, they are god-awful. They are both examples of the incompetence that has become the trademark of this government. I am digressing, Mr. Speaker.

I was saying that the term "hard core unemployed" is often used to describe men and women who have been without a job for four months or more. Personally, I do not like to use that term. I think it is a degrading and inhumane way to sum up a great deal of human misery. I do not like to use it because it is somewhat reminiscent of the term hard core criminal. I suspect that some people who use the term hard core unemployed do so to relieve their own consciences.

Some hon. Members: Shame.

Mr. Pepin: Come on.

Mr. Stanfield: Like habitual drunkards or habitual criminals, these are people whom we can slough off, people who must shoulder the blame for their condition of joblessness. In the vast majority of cases, I do not accept that description of those who have been looking for work in Canada for four months or more. We are talking about the destruction of human dignity resulting from conscious economic policies on the part of this government.

That is why I did not cry "hosanna" when the February figures showed a jump of 7,000 over those of the previous month. That may not be very many, but it is 7,000 too many when we consider that there were already 668,000 Canadians looking for work before. There are now 675,000 in the same boat.

Mr. Pepin: Could I respectfully ask when there was a reference to 7,000?

Mr. Stanfield: The reference was to the increased number of unemployed Canadians reported by DBS for the month of February compared to the month of January.

Mr. Pepin: Will the hon. member tell me what the figure was for 1969, the average for the past three, five or ten years?

Mr. Stanfield: I will be happy to refer to the report of the DBS. The increase in the absolute number of unemployed is reported to be somewhat less than has been usual for the past number of years. I do not make any secret of that any more than I make a secret of the fact that the increase between December and January in absolute numbers was substantially larger than usual. As a matter of fact, according to DBS the seasonally adjusted rate has remained the same.

Mr. Pepin: If I can continue my questioning—

Mr. Speaker: Order, please. I hesitate to interrupt the minister or the hon. gentleman, but I must bring to the attention of the minister that we have agreed on a time limit for speeches. Perhaps we should allow the hon. gentleman to complete his speech.

Mr. Douglas: The minister will have lots of chances to make his speech.

Mr. Bell: The minister thinks he is back in school.

Mr. Stanfield: I am very happy to debate these questions with the minister on very factual terms. I hope this is the basis on which they will be discussed by the other side of the House. This unemployment is hardly a matter for pride. It is hardly a matter for complacency. I have already stressed the human side and I have also stressed the economic aspects. This country cannot afford mass unemployment. Mass unemployment is a sign of economic sickness as well as of human misery. It weakens the will to fight inflation. It is about time this government recognized that fact.

The simple fact is that yesterday's unemployment figures show that a full year after this government claims to have embarked on a course of economic expansion, the unemployment situation is substantially worse. Certainly, there has been some growth and there will be more. In the face of growth in other developed countries, especially Japan and western Europe, and with the resulting increase in our exports, it would take a government of staggering incompetence to achieve total stagnation in this country.

There is no indication whatsoever that the modest growth we have been experiencing, as well as what is forecast, will substantially reduce the mass unemployment that exists in this country beyond the normal seasonal decline that happens every spring and summer. As the leader of the New Democratic Party reminded us,

we need a 5 per cent rate of real growth each year simply to hold our own and to prevent unemployment from getting worse.

To put the icing on the cake, the government cannot now even claim that it has succeeded in the only domain in which it was for a while claiming to have achieved something. As the leader of the New Democratic Party mentioned, the Prime Minister told us on December 23 that inflation had been licked. It no longer existed in Canada. We have also been properly reminded that the figures for the first two months of 1971, if extrapolated and continued for the year, will indicate a 5 per cent rate of inflation for this year. In other words, the balance sheet of the government right now involves the worst of both worlds, sustained mass unemployment and renewed inflation. We must ask ourselves whether all the suffering among the unemployed, brought on deliberately by the government as part of its fight against inflation, has been in vain.

This government's economic policies have failed. I suggest it is high time to face up to that fact. I do not wish to be immodest, but as Leader of the official Opposition in this House, I have the right and duty to remind Your Honour of the appeals that I have made to this government here and all over Canada. I have urged this government to use any pause in the inflationary spiral, any temporary truce, to mount an appropriate defence against the inroads of inflation. I have urged this government to use any period of grace to bring Canadians together to consider methods of controlling the vicious spiral that faces us. This is also the view of the Prices and Incomes Commission and, as I read his report, the view of the Governor of the Bank of Canada.

This government made a half-hearted attempt to achieve a program of voluntary restraint at precisely the time of greatest inflationary pressure, a time when such an effort could least likely succeed. When it did get a temporary respite in inflationary pressure, as a result of the massive slowdown and the increase in the value of the Canadian dollar, it abandoned its efforts to achieve any such policy. We are now seeing the results. As far as unemployment is concerned, I have urged the government to use its enormous powers to encourage expansion of the economy and the creation of jobs in order to avoid the human suffering that is taking place. This is sapping the will of the people of this country to continue to fight inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: In its questionable wisdom, the government rejected this suggestion as well. In short, this government has done neither of the things I have urged. Neither has it suggested guidelines at a time when there might have been a chance of their acceptance, nor has it effectively used its power to curb mass unemployment. In other words, it has failed.

• (12:40 p.m.)

If I believed in plots, Mr. Speaker, I might say that this government has done its best to strangle the Canadian economy in the interests of God-knows-what bureaucratic plan. But I shall be kind. I will simply say that the present mess is a result of incompetence at high levels—incompetence, lack of foresight and lack of imagination. The government must at least plead guilty to this unholy trinity of mistakes.

Some hon. Members: Hear, hear!

Mr. Stanfield: A major factor in the government's failure has been its stubborn refusal to take steps to allow the private sector to participate effectively in the process of getting the economy moving swiftly again. I will mention two examples of this failure. By creating and maintaining a climate of uncertainty in the field of taxation, it has discouraged investment decisions. By refusing all demands to stimulate the economy by cutting taxes, it has kept the economy in a government-issue straitjacket. Its policy of trying to channel recovery almost exclusively through government expenditures has neither reduced unemployment nor stopped inflation. All it has done has been to restrict economic growth and increase the tax load. Its insistence, despite earlier promises, on re-imposing the 3 per cent surtax on personal and corporate income is an example of both these aspects of government policy.

Inflation is a continuing problem; that is clear. But the war against inflation will not be won by curbing economic growth. On the contrary, it is only in a healthy, growing economy that inflation can be properly fought or that there will be the will to fight it.

Some hon. Members: Hear, hear!

Mr. Stanfield: Selective tax reductions would stimulate the production of goods and services; they would encourage employment and would therefore cut down on unproductive welfare costs. Doing all these things would, in present circumstances, constitute positive measures both in the fight against unemployment and in the fight against inflation.

Specifically, selective personal income tax cuts at this time would have an anti-inflationary effect. This is because allowing wage-earners to retain a larger net proportion of their salaries would help to relieve pressures resulting from excessively high demands for wage increases and also because reduced unemployment would relieve pressures on government expenditure and, therefore, on government taxes at other levels. Surely, even this government must see that this approach would be anti-inflationary. Does it not see where its policies lead? Is it not clear that the mushrooming welfare costs which result from high unemployment drive up the level of municipal and provincial taxes? Is it not obvious that one effect is greater wage demands from people who want to at least stay even in net terms? Meanwhile, those on fixed incomes—the little people the government always talks about helping—are worse off again.

Let the Minister of Finance (Mr. Benson) try to argue against that as a fact of life, one which his own policies have produced. The Minister of Finance is not here today

but he has expressed interest in my speeches on other occasions and I am sure he will read this one. He has attacked the opposition for making proposals, which he claims are unrealistic. Perhaps he should look closer to home. Our policies have not been proven correct or incorrect, because they have not yet been tried in Canada. The minister's policies have been tried and they have been found wanting. Our policies may have not been proven, but his policies have already been disproven. Perhaps he should now begin to look elsewhere; or, if he doesn't want to, someone in the government had better start looking, and soon.

This is a government which likes to develop a reputation for crisis management. First, develop your crisis, then play the role of the White Knight. For example, neglect to use the period of reduced inflationary pressures to properly mount a campaign of voluntary defences against renewed inflation. That is called "letting the crisis build". The next scene in the manufactured melodrama will feature a reluctant, but obviously needed move toward wage and price controls. Then, after blaming everyone else for their own shortcomings, they set up a bureaucratic jungle in which they can hide indefinitely. Make no mistake about it. The word "control" may have a nice, simple ring to it, but it hides a forest of arbitrary decision and potential injustice that should give pause to any realistic administrator.

Mr. Pepin: I thought you were in favour of it at the beginning of your speech.

Mr. Stanfield: If the minister will follow me carefully, he will have no difficulty. I say that no group in Canada would be unhappier about the imposition of controls than would organized labour. I have said this to the leaders of organized labour and suggested to them and others that it is most important to labour that we achieve voluntary restraint based upon consultation and co-operation. I say the same thing to those in business. We should at this time be giving voluntary restraint a good try in order to avoid the necessity of resorting to compulsion.

• (12:50 p.m.)

The Governor of the Bank of Canada, Mr. Rasminsky, has issued a warning against overheating the economy. With great respect, it seems to me the economy is a long distance from being overheated. The Governor of the Bank of Canada has also said, as reported in the press, that the task of maintaining full employment without inflation is an extremely ambitious one. The report in today's *Globe and Mail* continues:

> Indeed, it is not realistic, "to suppose that general financial policies are capable of being so finely tuned that there will always be precisely the minimum amount of slack in the system necessary to keep inflationary pressures in check, never more and never less."

When he refers to it as an extremely ambitious task, and unrealistic, I would agree. One does not expect perfection, but I say there is a great difference between missing a bid to achieve perfection and one's judgment in respect of the kind of massive unemployment we have today. The discontent with the present policies of the government are not confined to me. I notice that in the other place a resolution has been adopted asking for an investigation. A Senator, in sponsoring the resolution, if I might quote his words, said this:

> I might say that our potential is probably one of the highest of the countries in the free world. However, in exercising fiscal and monetary policy in the past while attempting to achieve the potential growth of the country, we have found ourselves bouncing between high inflation on the one hand and unacceptable unemployment on the other. We agree that these extremes are bad in themselves but, what is worse, they affect the very potential itself.

Presumably those sponsoring an examination in committee hope they can give the government some proper advice. As I said earlier, I do not believe we could achieve our objectives just through monetary and fiscal policies. I believe my view is supported by the Governor of the Bank of Canada when he urged further discussions between government, business and labour to examine the close relationships between prices and incomes and of the role open to each group in exercising restraint. I hope the ministers present will bear in mind the remarks of the Governor of the Bank of Canada in that regard because compulsory wage and price controls would present a host of new problems.

Yet I think this is clearly the way this government is heading, despite the lessons of the past. But what else can one expect from an administration that looks on tinkering from on high as the answer to every problem. What else can one expect from a government that has adopted a policy, for example, of manipulating the economy in a way that has it operating at $80 million a week below its potential. That kind of old fashioned simplistic manipulation has led us to the point where one of the most serious problems in the country's economy today is a widespread loss of confidence in the ability of the present government to solve, in any human or competent way, the problems of the Canadian economy. Any satisfactory improvement in the unemployment picture will occur only when the private sector feels confident enough to adopt expansionary measures of its own. That confidence can be generated only in a climate of reasonable economic certainty and good faith.

My colleagues and I during the past year have spoken volumes urging this government to change its attitude and remove the uncertainties that militate against the creation of such a climate. We have been joined in this urging by a growing chorus, representing virtually every reputable independent body of economic opinion in the country. In response, the government has not made one effective move. Another budget is due shortly. After the ineffective document that went under that name last fall, the Minister of Finance has another opportunity to do something constructive. He has an opportunity to show us whether he plans to change his present complacent course or whether he plans to continue it even further. This coming budget is of vital importance because it will set the tone of the economy for the next year. It must, therefore, be a budget that will result in stimulated activity and stimulated confidence within the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, we are not so much asking the government to stimulate the economy as we are asking this government to adopt policies that will permit the Canadian economy to live up to its own potential, which it has not been doing precisely because of policies that have deliberately made it run at a slow and halting pace. It is time now for this government to give some indication it has some confidence in the Canadian economy. It is time for this government to halt its go-it-alone approach and allow the economy to show what it can do. It is time for this government to get off the backs of the Canadian people and let them get on with the job. This, in turn, might allow the government to regain some of the confidence it has forfeited by its refusal to encourage industry to participate in economic recovery.

Now more than ever, I call on this government to follow a policy of selective tax reductions in the personal and corporate field. Now more than ever, I call on it to reduce or eliminate the 11 per cent tax on building materials. Now more than ever, I call on it to do away once and for all with uncertainty in the tax field. And I call on it to do this by adopting a reform that restores economic incentive, a reform that is a positive response to the expansionary mood in the country. I have said before that time is short. I say it now more urgently than ever. There are already predictions that next fall and winter will rival the period that is now ending in terms of economic hardship. That cannot be allowed to happen. If the government fails again in its upcoming budget, if it fails again to adopt effective policies that will both show and produce confidence in the Canadian economy, then it will once again have failed the Canadian people and will have done so at a crucial time.

This country cannot afford another winter like the present one. Now is the time to take steps to ensure that this does not happen. If this government has learned anything from its past mistakes, it must take these steps. If this government has learned anything from its mistakes, it will act to clear away the confusion over its economic policies in general, its tax policies in particular, and get off the backs of the people.

Some hon. Members: Hear, hear!

Mr. Speaker: It being one o'clock I now leave the Chair. The House will resume at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, it is a great pleasure for me to take part in the debate on the important matter now before us and this for several reasons which I will endeavour to explain as clearly as possible.

I think all members will agree that our idealistic young Canadians should be given the means to reach their legitimate objectives.

The fact that a small number of young people were led to take part in various demonstrations, at times noisy ones, often gives us a bad impression. Today's young are not revolutionaries but more determined than those of previous generations. That comes from the advantages they derive from information media, which make them more conscious than previous generations of the problems awaiting them. The main concern of most young people is to know in what kind of a world they will live as adults.

From 1929 to 1939 particularly, our politicians succeeded in making the people accept their administrative blunders and in bringing the generation of that time to resign themselves in spite of a situation they called a world wide economic crisis. However, the people realized that it was rather a crisis created by the financiers. Nobody can deny that at the origin of such a crisis was the behaviour of the directors of the stock market in the United States, with the result that the only thing the people in power could tell those who wanted work and wages was: We have no money.

Yet we know what happened in 1939. All the necessary money was put in circulation. We had to have a war to get things going. That example should have been sufficient to show the deficiencies of the financial system that has the power to launch wars and crises as it wants.

In economics as well as in internal economy, goods are the property of the state or of the individual as the case may be, provided there is no outside interference. As soon as financiers interfere in a transaction, the state or the individual's property right becomes illusory. For instance, the state borrows in order to develop or establish such or such public service, of which the financing and lending people will be the first masters, as they are, anyway, of the individual who borrows to buy a property or some goods.

So as to progress, our governments must take actions to benefit the people. But such actions turn against the people because instead of financing these beneficial actions themselves, the governments have to borrow where they can and then tax and even overtax their people to pay back capital and interest.

I am alluding to the industrialists who live from their profits, to the shareholders who receive dividends, to the professionals who receive fees, and to the workers who earn a salary. They are all hit hard by taxes levied by the government which is itself at the mercy of the financial system. So, in order to survive, the industrialist increases his profits, the shareholder asks for higher dividends, the professional increases his fees and the worker asks for a higher salary to compensate for the increasing prices of consumer goods or professional services.

Why is the financial system in the hands of a few individuals who control the economic life? Such control should be in the hands of the state who would then be able to claim it is the master in the country and not the slave of such a system. The individual is the victim of

this financial slavery, but since he is kept unaware of it, he does not protest too much.

• (2:10 p.m.)

Also we unfortunately find that economists consider normal a financial system which keeps plunging countries and individuals deeper and deeper into the red, while militants prone to denounce anything, fail to blame that financial system which is at the very root of the crises, wars and unemployment that we now exeprience.

Up to now, protest has too often been unproductive. Protest should be aimed at our financial system if we want order to prevail.

The Canadian people live in a country where each citizen could at all times be comfortably off. But by reason of an inadequate financial system, Canada is constantly facing various crises. Because the funds necessary for full development of the country are lacking, on account of the sort of blockade imposed by our present monetary system, unemployment, surtax, strikes, inflation, designated zones and slums are the misfortunes, to name but a few, befalling the Canadian people.

I have here an article that was published in the newspaper *Montréal-Matin* on December 14, 1970, written by Mr. Maurice Huot and entitled "From taxes to genius". Referring to notes dating back to 1962, the writer established that Mr. Graham Towers, former governor of the Bank of Canada, had stated, and I quote

—that the burden of taxes imposed on Canadians by all levels of government is too heavy.

We have now reached the end of 1970 and can it be said that, in that respect things have changed very much?

In 1962, Mr. Towers remarked that the Canadian gross national revenue from taxes at all levels of government amounted to about 26 per cent of the total money supply, that is approximately the same as in the United States, which meant that the Canadian people, with a much smaller population than in the neighbouring country, paid ever so much more taxes.

Nobody anticipates in Canada a significant tax decrease in the near future for citizens in general—

—All experts agree that one way to reduce unemployment is obviously to foster the establishment of secondary industries able to create employment. But unless they enjoy a series of exemptions, industrialists are not encouraged to establish or develop industries whose taxes will erode profits—

Jobs will only result from an economy where profit is promoted in terms of investments and risks. Nobody wants to work for the sole purpose of paying more taxes to the country. For leaders to find all the solutions to economic problems by always levying more taxes shows neither much imagination nor know-how, but to boost the economy without additional charges would prove that talent, if not genius, has entered Parliament and that is what one is entitled to expect from our leaders—

Regarding the problem of unemployment, our leaders will have to show better proof of administrative wisdom in order to clarify a situation which is sometimes unclear in the area of immigration.

Before inviting immigrants to come and harvest crops, the Department of Manpower should ascertain the number of available Canadian workers. By offering them the same advantages, we could lower the rate of unemployment at home and provide income to the students and the unemployed.

[Mr. Dionne.]

I appreciate that many supporters of the present financial system see an increase in population as a means of taxing a greater number of citizens. One does not need to have a diploma however to understand that a country where thousands of workers are unemployed cannot solve this problem by increasing its population through immigration. This is not the only instance of the absurdity of the regime, but in view of present circumstances, this policy is highly detrimental.

We should also mention the question of distribution of employment notices to students in Canada. These notices should be posted in every Canadian university and distributed to all Canadian students in the United States.

At present, in Canada as well as in the United States, a student has to seek a job on the American labour market. I have here the photostat of an American newspaper where you can see advertisements for vacant positions for science and anthropology professors in Canada. Many Canadian students, uninformed about openings in their own country, are replaced by American students in important positions.

The following appeared in the Montreal newspaper *La Presse* of January 21, 1970:

So many American university professors immigrated to Canada in the late sixties that in one year only they have taken 84 per cent of the jobs in Canadian universities.

This problem is becoming increasingly serious. I am for a good neighbour policy towards our friends in the south, but it seems to me that we should provide Canadian students and graduates with every opportunity of getting the best positions in their own country so as to stop the migration from Canada which sometimes does take place. I emphasize this because I have been told that it will be very difficult for Canadian students, even those who are studying in the United States, to be informed of all job opportunities in their country. They often have to seek them on the American labour market through either professional associations or professional journals.

Such information should be made available to students in social sciences or other scientific fields before winter sets in and job offers should be more effectively advertised throughout Canada. University administrations should be urged to have these job offers distributed all over the country and also in the United States. The Canadian government could set up an agency responsible for supervising this distribution of job opportunity notices.

There is also much to be done in the field of physical education. Its sphere of action cannot be limited to sports and similar endeavours. Research is needed to improve living conditions. The human character in the individual must be safeguarded. Good tools are required to prepare the next generation and future civilization. Physical education must take its place in the field of training.

I am not unmindful of the efforts made by various departments recently in calling the attention of the people and the members of Parliament on a variety of programs for employment and trips for students. It is fitting to commend those who are responsible for these initiatives. However, while recognizing the merits of

these various programs, we have to come to the conclusion that they are palliatives and I hope that we will continue by all means possible to improve the situation.

La Presse of Thursday, January 28, 1971, featured an article by Mr. Maurice Giroux, which says:

The Liberals will study a crash anti-unemployment program.

Three main items were supposed to be on the agenda of the meeting scheduled for February 5, 6, 7 and 8, 1971 in Quebec City. They are the following:

—an immediate decrease in personal income tax;

—a decrease in corporate income tax in return for job-creating projects;

—a step-up in major federal and provincial projects.

These crash recommendations were made by economist André Raynauld, a Université de Montréal professor who will be the special guest of the Liberal party during this important convention before the 1972 general election.

From the government order respecting the Income Tax Act, i.e. Bill C-225 which was recently debated in the House, I take it that the economist's recommendations concerning the elimination of the provisional 3 per cent surcharge have not been considered, since the situation is still the same.

• (2:20 p.m.)

The motion moved today concerns a current concrete problem, since the latest statistics prove that the spectacular unemployment rate among the young is practically twice as high as that for workers aged 25 or more.

This problem is all the more important as unemployment among the young is one of the deepest causes for dissatisfaction, because it challenges the government policy which for years has been incessantly emphasizing the need for a more educated labour force, better qualified for the tasks which are awaiting them in today's world-wide competitive system.

Now, today's youth surely realize that the promises of a better life, a stronger economy, higher salaries, more reasonable consumer prices, greater affluence and prosperity were merely electoral promises destined to remain unfulfilled, and made solely to ensure votes.

That is why I believe that the utmost consideration should be given to this very alarming situation of the educated young who cannot make use of their energies, capabilities and skills. Means should be found to amend government policies, which are now leading to chaos.

It has always been stated and rightly so, and I say it again, that economic growth is greatly influenced by the degree of general education of a population and by the degree of technical and vocational training of labour.

As early as June 1, 1910, on the initiative of the Canadian Manufacturers' Association, the then federal Minister of Labour, the Right Hon. William Lyon Mackenzie King, proposed to the governor in council the appointment of a royal commission to inquire into the industrial and technical training institutions and into those that should be established for the same purpose, as wel as on methods of technical training used in other countries.

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The inquiry took the Commission to all Canadian centers from the Atlantic to the Pacific, where some form of industrial teaching was carried out, as well as to the United Kingdom, the United States, France, Germany and other European countries. The Commission first submitted a temporary report on March 28, 1911, that it finally completed in 1913 with a four volume report totalling 2,551 pages. Unfortunately, there was no follow-through.

Regarding education, the Commission has made no specific recommandations, no doubt because it obviously considered the problem as one under the jurisdiction of the provinces.

However, the commissioners could not hide their enthusiasm and they commented favorably on measures adopted in certain countries to extend schooling or, at least, to force young people who drop out of public school to attend vocational training institutions.

The commissioners report states, among other things, that in four fifths of German states, that is in all cities of more than 10,000 people, attendance at a school of vocational training is compulsory for young people between the ages of 14 and 17. The commissioners note: "We are surprised to see no young people of either sex idling about on street corners or wandering aimlessly on the sidewalks in the evening". Those suggestions could have been put into practice.

Let us remember that it is not by mere chance or by a stroke of fate that Germany has become one of the most industrialized powers of the world, that its workers, technicians and scientists have succeeded in building the economic and military power that democracies had to fight on two occasions.

In Germany, as I stated a while ago, the imperial government, before the First World War, compelled young people not yet 17 to attend professional training schools. The lectures were given most of the time in the evening and as for organized trades, they came under the responsibility of the guilds.

Great Britain was lagging behind Germany, but public opinion was warned. In the Manchester area, in 1907 and 1908, out of a population of 3,974,000 inhabitants, 105,503 were attending night school. But this did not seem sufficient because an advisory committee which has analyzed the situation made the following recommendations: Each employer who has young employees under 17 years of age should be compelled, under the law, to allow them to attend refresher courses during the periods set under the regulations of the local authorities of the area in which those young people are living or working; to supply, on request, to the local authorities, the names of those employees.

In addition, to ensure regular attendance of the students at the vocational schools, in those areas where attendance is compulsory, it should be forbidden, under penalty of a fine, for any employer, in the trades concerned by the regulations applying to the area, to employ or continue employing any young boy or girl who does not periodically produce a card bearing witness to the

fact that he or she has attended the training course in accordance with the local regulation.

The report of the Royal Commission of 1910 also mentions the existence of similar laws in certain states of Germany where vocational schools must be set up in every community where more than 40 boys from 14 to 17 are working in industry or commerce. Those schools are either industrial or commercial, or both, depending on the needs of the community. Every youth between the ages of 14 and 17 is required to attend school and local authorities may require him or her to attend vocational school till age 18 if he has not reached a sufficient level of education or training when he reaches age 17.

This is a good way to educate the young to ready them for the labour market. From this survey—which surely involved the spending of several thousands of dollars—our administrators should have reached the greatest possible number of agreements with Canadian manufacturers, thus compounding theory with practice.

There would thus be a higher percentage of our young people who would be quite readily accepted on the labour market since they would be in a position to demonstrate that they have acquired, in the course of their education, a sufficient experience and that their services will be appreciated.

This method would have yielded much better results than advertising open positions abroad and encouraging immigration to Canada, since we would have had a good supply of skilled manpower right here at home to meet the needs of our industries.

In the past, when a student left school after seven or eight years of learning, he was readying himself to face the unknown. He knew that once he had found a job, which was not always easy, he would have to work hard to make his way. He knew particularly that there would still be many things to learn in order to attain an enviable position.

Now, it is different. After about fifteen or more years of learning, our young people leave education institutions with impressive diplomas and an edifying stock of knowledge. They expect that we will welcome them with open arms. But frequently, a Ph.D. and a master's degree open no doors.

And especially these last few years, a number of new faculties have been created, but apparently we have failed to ensure that those branches of learning would provide a living to the students. For instance, what would be the purpose of having young people take history, sociology or any other science, if the most brilliant graduates have to be content with jobs completely removed from their qualifications and knowledge?

I would hope, Mr. Speaker, that government autorities will finally take the proper attitude in the circumstances, in order to provide young people with job opportunities consistent with their education.

• (2:30 p.m.)

[*English*]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to thank the Leader of the New Democratic Party (Mr. Douglas) for yet another opportunity to report, in a play-by-play fashion, on the growth of the Canadian economy, its strength and its relatively superior performance as compared to the performance of other free industrial nations during the past couple of years, superior growth, strength and performance which continue to this day and show every sign of continuing at increasing rates throughout the year. This has been a play-by-play report because, since the finance minister's December 3 budget, there have been 61 sitting days. During that period, we have had a number of opportunities to discuss the economy during private members' hour and the adjournment debate. We have had a six-day budget debate; we have had a better than three-day pseudo budget debate during the committee of the whole and third reading stage of Bill C-225, the budget bill; and this is the fourth of seven allotted days that opposition parties have given over to debating the state of the economy. In all, about 14 days has been spent on this subject, a figure approached in this session only by the 11 full days so far devoted to the government organization bill.

The Minister without Portfolio (Mr. Stanbury) responsible for citizenship will deal at length with summer youth employment programs. Incidentally, Sir, I ought to say at this time that he will be the principal spokesman for this side of the House.

Mr. Knowles (Winnipeg North Centre): The hon. member should not downgrade himself.

Mr. Mahoney: This is something that the opposition parties, in spite of the motion, have already neglected. The fact remains that in our free enterprise economy, the basic solutions to economic problems lie in the private sector. I think the Leader of the Opposition (Mr. Stanfield) would agree with me when I say there is a limit to the direct results that public sector action can achieve. Optimum results flow from a combination of public and private decisions, public and private action and public and private policies when the public input creates the economic environment within which sound private business decisions can be made. For that reason, Mr. Speaker, I should like to direct my remarks to the general economic climate in Canada, to the economic environment in which Canadian business lives now and in which it will for the foreseeable future be making its decisions.

In the first place, as a result of the government's firm leadership last October, Canada will, in the political sense, continue to be a safe and secure place to do business. Indeed, some parts of Canada will be even safer and more secure than have been regarded as being in the recent past.

The obvious question arises: will Canada continue to present itself as not only a safe place but an hospitable place to do business? I suppose that the business community sees two particular areas of concern here, the first in the results of tax reform and the second in the results of the foreign investment review. As to the first, the area of tax reform, there really is little to be said right now. The government's decision will be known

within a very few weeks and Canadians, including the business community, will be able to assess its effects. I would remind the House that one of the stated goals of tax reform has been, throughout, "steady economic growth and continuing prosperity." Unless that goal is achieved, the other major goals cannot be achieved. Without economic growth the goal of equity will be defeated, because the sheer weight of taxation could itself become unfair. Without economic growth, a continuing recognition of modern social needs cannot be achieved, because an economic short-fall will limit our means to satisfy existing social needs, much less cope with new or expanding needs.

The House of Commons Standing Committee on Finance, Trade and Economic Affairs, in the principal conclusions to its report on the tax reform white paper, expressed its concern in the following terms:

> That preservation of an economic climate favourable to growth must be a central consideration of Canadian tax policy.

This House of Commons committee report is one of the very important inputs in the decisions that the government is presently taking. The government recognizes that when it invited public participation in the tax reform process, it also undertook an obligation to take that participation into account. I am confident that when the income tax amendments are introduced, those who took part in the tax reform process will be satisfied that they have been heard.

The question of foreign investment policy seems, timewise, to be somewhat further from resolution. The Minister of National Revenue (Mr. Gray) has had this matter under specific review for some time. It is a study for the cabinet. Whether the cabinet already has it or, if not, when it will be getting it is not known. Of course, do we know how long the cabinet will take to study it—

Mr. Stanfield: Years.

Mr. Mahoney: —or whether they will choose to implement all or any part of it and, if they do, how long that will take. So, in one sense, the situation with regard to foreign investment policy is not as clear to those seeking answers as is that with regard to tax reform. On the other hand, it is clear from what he said in his television interview in Regina last month, that the Prime Minister (Mr. Trudeau) is not falling for the illusory beauties of economic nationalism. We can be confident that the foreign ownership policy will be realistic, geared to the encouragement of economic growth. In addition, foreign ownership policy will be selective, recognizing that, desirable as it is that Canadians own more of their own businesses and resources, we cannot do everything at once. It will be prospective rather than retroactive and will be positive, emphasizing investment by Canadians in Canada rather than discouraging investment by others.

Mr. Stanfield: Those are not the sorts of measures the government has already taken.

Mr. Mahoney: There are simply too many strong, positive and definite economic factors at work in Canada's economy to allow lingering doubts about tax reform and foreign ownership to deter strong, positive and definite business decisions.

Freeing the Canadian dollar from its fixed rate of exchange with the United States dollar has had an adverse effect on some of our export industries, particularly those whose sales contracts expressed their prices in United States dollars. On the other hand, the decision has given us an important measure of independence from the influence of U.S. domestic economic decisions and has been a contributing factor to the superior success of our economic policies during the past year, as compared with those of any other western industrial nation.

• (2:40 p.m.)

Certainly, we have more unemployment than we would wish and this is a perfectly legitimate and respectable point for opposition politicians to take up and trade upon, as long as in so doing they do not undermine confidence in the Canadian economy by convincing anyone that today's unemployment is a national disaster. If they do that, they will have performed a great disservice to Canada and to all Canadians, including our unemployed.

It is, of course, a personal tragedy for those caught up in it and that would be equally true if Canada's unemployment, seasonally adjusted or otherwise, were 1 per cent or less. This element of personal tragedy is real and will always be real, regardless of all the effective measures that governments at all levels have taken to assist the unemployed and to reduce unemployment.

Employment is high, too. While there were some 149,000 more unemployed in Canada at the end of February this year than at the end of February, 1970, there were also about 172,000 more people employed in Canada. This is not a tragedy. Canada's work force is growing faster than the work forces of most other western countries. This growth rate has averaged about 3 per cent per year for the last three years. Last year it was 4 per cent, 321,000. This means that a great many new jobs have to be created in Canada every year just to keep the unemployment figure, in numbers, not percentage, the same. Last year Canada's employment figures, the number of people working, rose faster than those of any other industrialized country, the U.S. among them.

Economists are practically unanimous in making predictions as to Canadian economic prospects. There has been a substantial increase in gross national product this year, most of it real. Last year real economic growth was 3.3 per cent, less than the 5.1 per cent of 1969, but better than that of the U.S. which actually dropped 0.4 per cent. The stage is set for a major increase in real output, and a substantial increase in consumer spending. Wages and salaries went up last year while inflation was held down. About 7 per cent of personal income went in to bank savings accounts which aggregated almost $17 billion at year end. There has been a substantial increase in retail sales. Last year's gain was only 2 per cent. Retail inventories are thin as a result of last year's tight money and consumer restraint. The shoppers are getting ready to buy and merchants are scrambling to increase their inventories. Automobile and other durable sales will pro-

mote significantly more business growth than in 1970. There will be a substantial increase in capital plant and equipment outlays. This is the announced intention of Canadian industry, led by steel, a key indicator.

Interest rates, both short and long term, have fallen to acceptable levels. The 10 per cent figure was unquestionably something of a psychological barrier to many users of capital, particularly long term users. There will be a substantial increase in construction, led by housing and pipelines, as lower interest rates combine with personal savings to stimulate the non-public area and as massive government assistance in the low cost housing area continues. There will be some increase in pipeline construction as pipeline systems rush to supplement already overtaxed capacity.

There will be another substantial increase in exports following upon last year's record. Gas and oil exports will be among the pace setters and prices for these exports will be up. Prospects for grain sales reversed themselves during 1970, as the world grain inventory shifted from surplus to shortage. Nickel and coal are other certain leaders. The defeat of the protectionist revival in the U.S., as the misnamed trade expansion act of 1970 died with the last congress, should give exporters a boost in confidence. We have to watch the European economic community carefully, particularly as the U.K. negotiates its admission, but protectionism has had a setback which we can hope signals a change in trend.

An improvement in the mix of our markets is also a positive sign. The U.S. is still our largest market by an overwhelming margin. In 1970, it took 65 per cent of all Canada's exports, but that was down from 71 per cent in 1969. At the same time exports to the U.K. increased by a third, to Japan by a quarter and to the European economic community by 40 per cent in 1970 over 1969. These are very healthy trends. It should be remembered also that the U.S. figure is made up in part by the results of the continental free trade agreement on automobiles and parts. None the less, the U.S. is and will continue for the foreseeable future to be our largest customer by a wide margin. We can rejoice in the fact that geography has placed us next door to the world's largest market and equidistant between the next two largest, western Europe and Japan.

Rapid growth in the labour intensive Canadian-owned service industries will continue. They now account for some 35 per cent of our gross national product and, within 20 years, two thirds of our output will flow from those industries, a fact ignored by economic nationalists in their preoccupation with goods. Canada's is, in fact, a service oriented economy. Public spending by all levels of government will be a positive, expansionary factor in the economy. Federal expenditures are expected to run at 7.5 per cent in fiscal 1971-72 over those in the current year. Provincial budgets all indicate increased outlays. Finally, our price performance will continue to be most favourable when compared with our principal competitors. Canada's relative success in bringing its price inflation under control has been impressive. This is acknowledged by all objective observers, including the OECD and the International Monetary Fund.

The Canadian economy is sound. Our dollar is strong, some would say too strong, but that is perhaps more a commentary on the relative strength of other currencies than our own. In spite of the gloom and doom from some quarters, in spite of the very real personal tragedy of our unemployed, Canadians are confident of that soundness and strength. Their confidence is reflected in a buoyant stock market, in plans for capital expenditures, and in all the other personal and business decisions that Canadians are making today.

In closing, I would like to quote briefly from the lead paragraph of an article that appeared in the February 13, 1971, issue of *Business Week:*

—Canada is sitting pretty, Ottawa's successful anti-inflation policies and an export boom staved off a U.S. style recession last year and put the Canadian economy in position to take off in 1971.

Canadians are well aware of a very significant difference in the outlook of those whose function is to talk about the economy, mainly journalists and opposition politicians, and those whose function is to do something about it, the business community and government. That difference has been clear throughout the ongoing economic debate. Canadians are firmly on the side of the doers.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the main point at issue is whether we have a viable economy in this country which is able to effectively use the resources and the people who produce the goods. We need an environment and social structure which will be acceptable, not one which is subject to the very severe dislocations which have occurred in this country during the past two or three years. These dislocations are becoming worse. Instead of facing a situation of unemployment and economic dislocation, which might be regarded as temporary, we are facing circumstances which have lasted so long that they are becoming chronic to the point at which we are accepting a continuation of unemployment and discussions centred on the number of people who are unemployed, the percentage level of unemployment and the fraction by which it may decrease or increase. These fractions are not really relevant to the mass of the Canadian people or to the students who are mentioned specifically in the motion before us.

• (2:50 p.m.)

A student from Saskatchewan wrote to me the other day after applying to the regional office of the Public Service Commission in Alberta asking for a job. The officials wrote to him that it was useless for him to apply in Alberta for a job because, under the arrangements which had been made, Alberta was the headquarters for the Yukon and the Northwest Territories and there would be no jobs for people from other localities until the people from Alberta had been looked after. I should like to read a few lines from the letter which was written to me on this subject.

In recruiting students for summer employment, positions in a particular locality are filled by students from within that locality, with the exception of positions in the National Capital Region in which case applicants from any region are considered.

I trust this is the information you require.

I shall read only a few phrases from the letter which the student received.

Only if there does not appear to be a sufficient number of qualified students in Alberta will your application be considered.

The Minister without Portfolio may have some comments to make on this point. I take it from these letters—I do not see how I could draw any other conclusion—that the government has balkanized all the regions of Canada, and those who are fortunate enough to be in regions where job opportunities are available can get jobs. However, those who are in regions where there are no job opportunities will never get jobs. I do not wonder that this student from the University of Saskatchewan complained bitterly about the situation. Imagine cutting off many Canadian students from job opportunities with the Public Service Commission in Alberta, the Yukon and the Northwest Territories, just because they do not live in the region. This is the way the government runs the country and spreads the misery around. The hon. member who spoke a while ago congratulated us on taking a respectable stand. The best thing the government can hope for is that the people it is abusing and neglecting continue to take a respectable stand. Representatives of the government should tell us at this point what they propose to do to meet the situation.

Ministers talk about private industry, but private industry is not providing the jobs. The government is pumping money into the capital structure of private industry by way of grants and so on, because private industry is no longer willing to take the risk of locating in certain areas. The ultimate is happening in Saskatchewan. Not only are we putting up the money for industry, but the government of the province is preparing to pay half the wages of students if they can find an employer, up to a maximum of $150 per month. I do not know what will happen to the ordinary worker in Saskatchewan under this system. I suppose a business which is offered a student at half price will be glad to use his services if he can swing a pick and shovel or drive a tractor or a "cat" well enough. I can foresee a certain amount of dislocation arising from that situation. But this is the sort of thing we find under a government which is unable to put the economy in order and use the resources of the people we have.

Mr. Stanfield: They don't know how to use the people.

Mr. Gleave: That is absolutely right. Let me tell hon. members what is happening in the grain industry. The government is proposing, under the stabilization plan, to take a 2 per cent cut out of the gross revenue from sales. Here is an industry which is struggling to survive and which will survive, in spite of the government, because it is a viable industry. The government brings out this plan and says it will take 2 per cent of the gross to put into the program. At the very least this will amount to 6 per cent of the net which, in effect, will be a 6 per cent tax on the net returns of an industry which is already working on a very narrow margin.

Economic Growth and Employment Situation

I suppose any economist would say that if we really want to get the economy rolling we should reduce taxes as a means of making more money available to activate the business cycle. But the reaction of the government is in a completely contrary direction. It says: Oh no, we shall take 2 per cent of the gross and sink it into a fund to gather dust; we shall take 2 per cent of the farmer's purchasing power away from him. Then, the minister responsible for the Wheat Board comes along and says: we have been carrying part of the storage charge; we shall stop doing that, and the farmer can pay for those services, too. What is being accomplished? The government is progressively reducing the already limited purchasing power which farmers possess. The government is looking toward a contracting economy, not an expanding economy, and if anything else happens it will be in spite of them and not because of them.

In its decisions and in the carrying out of its policies in the past, the government has stumbled from one mistake to another. The first action it took when the farmers were in trouble was to double the amount which could be received by way of cash advances. As a predictable result, farmers are now, two years later, trying to pay back these cash advances out of a limited income. The last white paper report to the government of Saskatchewan indicated that the average farmer owed between $1,000 and $1,200 which he was trying to pay back at a time when the value of his products had fallen. In short, the government has done the reverse of what it should have done. Hon. members who sit on the treasury benches opposite instituted the Lift program. They pressured farmers into taking acreage out of production and allowing the land to lie idle, as a result of which the production of wealth from grain in the Prairie provinces declined. How in the world anybody but the Liberal government could believe a country could become rich by not producing is beyond my comprehension.

• (3:00 p.m.)

The government has established an extraordinary structure in the grain industry. I do not know how they can find their way around it themselves. There is EXCAN. They have persuaded the three wheatpools and the UGG., to establish an export agency which is supposed to be working to increase sales of grain. There is also the Canada Grains Council which was dreamed up when this government came in. The government is providing a small subsidy and I predict there will be more. This is really a consortium of the grain exchange interests in Winnipeg. This agency makes trips to various parts of the world to seek export opportunities and comes back and reports.

In addition we have the Canadian Wheat Board, which is a grain marketing agency and should be used for this purpose. I do not know why the government created these agencies and divided up the responsibilities. Maybe some day we will be told the reason. I can see that in two or three years from now we might have several agencies overseas, from the Department of Industry, Trade and Commerce, as well as the Canada Grains Council, and then we will try to get these people to appear before the

agricultural committee to tell us what they are doing. It will probably take a Philadelphia lawyer to figure it all out.

I have touched briefly on the circumstances with which we are faced in the employment field and in the agricultural field. As I say, instead of moving in a clear direction we seem to have adopted a method of spreading the misery around through a profusion of agencies of government departments and the grain trade so that people fall all over one another's feet and do not even know whose feet they have tripped over. Then there is balkanization in various areas to make sure that somebody from Saskatchewan will not be going to Alberta to take a job away from someone in Alberta who badly needs it. I suppose the same gimmick will be used in Ontario that is being used in Alberta by the regional offices of this government. Mr. Speaker, perhaps some day this government will improve a little or, more fortunately, we might be able to get rid of it.

Mr. Deputy Speaker: The Minister without Portfolio responsible for citizenship.

Mr. Stanfield: Hear, hear!

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I thank the Leader of the Opposition (Mr. Stanfield) for his welcome to this debate. I also thank the Leader of the New Democratic Party (Mr. Douglas) for raising this subject today. I am only disappointed that they did not put forward constructive criticisms concerning the program which was announced this week in the field of summer student employment.

Mr. Stanfield: We are waiting to know what the proposals are.

Mr. Stanbury: The general economic situation has been ably dealt with by my colleague from Calgary. As this House knows full well, the rapid growth of inflation has been arrested and there are indications that our economy is now on an upward swing. The Dominion Bureau of Statistics yesterday reported a very slight and somewhat smaller than usual increase in the number of persons unemployed. While there were 7,000 more persons without jobs—and when anyone is without a job this is to be regretted—there were 9,000 more with jobs.

We all know that the labour force is the largest in our history and, indeed, one of the largest and fastest growing in the world. This fact, combined with inflationary pressure, has presented the government with unique economic problems to solve. I see no indication that anyone in this House could have faced such circumstances more resolutely or imaginatively than this government has. If the growing vigour of the economy was to absorb with reasonable and increasing speed those seeking permanent work of a conventional kind, as I believe it will, it was of the greatest importance that the government should intervene to assist substantially the private economy in the task of absorbing the enormous number of young people who will be seeking employment during the summer months. It was precisely because we wish to allow young and old who are seeking permanent employment—to the extent that that phrase is applicable in the modern world—to be assisted and protected in that search that the government has introduced a great variety of special student programs for the coming summer.

Hon. members are aware that the situation of employment and the attitude toward work and its value has changed since the 1930s. We are aware that the young in this country, as in other countries, for some years have been trying to tell us something about values, purpose and the proper aims of society. We must be aware that it has been the young to a very large extent who have reminded us of the dangers of unbridled pollution, the needs of the poor and deprived, the value of increased participation by individuals in their own affairs and the necessity of moving resolutely toward a just society.

I would remind members of this House, as I have been reminded, of three basic facts. First, there are a great many tasks to be undertaken and accomplished which the private economy does not automatically support. Second, there is a great deal of youthful energy, imagination and determination in this country which is waiting to be unleashed, provided it can choose outlets that seem valuable and deserving and in which pay or remuneration is only a secondary consideration. Third, there are many young people who do need money or do not need as much, and a program of activities had to be found which would provide for a variety of valid personal goals.

This is the meaning of the government's new student employment and activities program for this summer. It offers conventional employment at reasonable rates of remuneration for those who wish it. It provides unconventional employment at reasonable remuneration for those with sufficient imagination and courage to create it. It also provides the way to accomplish a variety of social goals for those whose imagination and devotion to Canada is as important to nourish as are their incomes. In this program we are offering a challenge to the voluntary capacities of our citizens, particularly the younger citizens, that has been unmatched since the general mobilization for war in 1939. If we have been searching, as have many modern societies, for what the American psychologist William James called "the moral equivalent of war", we believe we are taking a substantial step in that direction. New and important goals for Canadians are being matched with the enthusiasm, energy and will to accomplish them.

So that the scope and nature of the summer '71 program will be clearly on record, I should like to review briefly its various components. The Department of National Defence proposes to provide employment for some students who will undertake regular summer militia training of both an elementary and continuing nature, and also for some who will enjoy special training in first aid, hunter safety, bush survival, search and rescue, water safety, watermanship, adventure training, leadership and instructional techniques. I think many will agree that these new and imaginative opportunities offered by our armed forces are most welcome. The Department of National Health and Welfare will provide opportunities for development of young athletes, for studies of drugs abuse and for a very important study by the

young of facilities available for athletics in Canada. Native peoples will be encouraged to take part in projects, particularly in the Yukon and the Northwest Territories.

• (3:10 p.m.)

The Department of Manpower and Immigration now has 110 special Canada Manpower centres for students in 83 cities and towns throughout Canada, compared with 23 centres in 66 communities last summer. I can assure the hon. member who just spoke that young people from all parts of the country will have ample access to job opportunities through these centres. Municipalities and interested organizations are co-operating in the establishment of the student centres. They will be manned by 374 specially trained students and will have the effect of relieving the pressure on regular centres which will be engaged in their usual heavy seasonal tasks. As well, the department has negotiated employment for some 3,200 post-secondary students in other countries.

For summer employment in the public service of Canada students are invited to apply directly to the Public Service Commission or through the Canada Manpower centres. The utmost effort is being made to ensure that the positions available will result in the maximum value both to the students occupying them and to the government.

Mr. Stanfield: The minister has limited time, but would he permit a question?

Mr. Stanbury: I will be glad to receive the question at the end of my statement, Mr. Speaker.

Mr. Stanfield: I do not want to be rude, but I wonder if the minister, instead of rereading press issues of a few days ago would fill in some of the blanks in the opportunities for youth programs for which we are all waiting and for which some of us have stayed in the House.

Mr. Stanbury: I thank the hon. member for his interest, and I welcome it. Under the direction of the Department of the Secretary of State there are a number of programs, including the Opportunities for Youth Program. For those who intend to travel in Canada individually, as many certainly will do, the government is enlisting voluntary organizations to man small information and service centres. We all know the extent of hitch-hiking in Canada; no one can drive along any highway in the summer without being aware of it. With our program of support for locally sponsored hostels this year and the placing of kiosks at strategic points along the highways, the government hopes to reduce unnecessary risks and anxieties on the part of both the young and their temporary hosts in Canadian communities.

An increased amount is available also for group travel for those who wish a more planned and directed experience organized either by governments, as in the case of the Young Voyageurs Program, or by voluntary organizations. The department will allocate increased sums of money for summer language training on a co-operative basis with provincial governments and universities. Obviously, if we are to live up to our ambitions as a bilingual society, young Canadians need all possible resources to learn a second language as early in their lives as possible.

I would like to stress the fundamental principle of co-operation with other levels of government inherent in these programs. We are not simply providing money for provinces or municipalities to spend on our behalf or on behalf of the taxpayers of Canada; we are establishing an unprecedented degree of co-ordination with these other governments so that the great variety of programs being undertaken this summer and a great variety of sources of initiative may complement one another and contribute a maximum multiplier effect. Consultation has been carried out with all provincial governments at both ministerial and official levels. Administrative arrangements have been established to ensure utmost co-ordination within the federal government as well as with other authorities.

The Youth Opportunities Program, to which we have allotted $15 million, represents a unique challenge to the voluntary sector. The Leader of the Opposition is interested in the criteria on which proposals from voluntary organizations will be evaluated, as I am sure all hon. members are. These have been forwarded to all Canada Manpower centres, to citizenship branch offices and to almost 5,000 voluntary organizations in Canada.

In general, we are directing our attention to involving the young and those associated with them in creating, managing and evaluating their own projects. The value of this approach lies in the fact that young people will not only have an income but will discover the requirements for managing and accomplishing objectives in an organized, responsible manner. This experience will provide young people who take the opportunity with practical work experience but it will also provide for many needed additional services in communities. I am convinced that the new perspectives which young people will bring to situations, coupled with their imagination and energy, will produce many useful and exciting new programs. This program is a vote of confidence in the abilities of Canadian young people.

Projects will be selected and approved on a variety of criteria: first, the number of jobs created and their cost; second, the number of people who might benefit or take part; third, the involvement of young people in planning, carrying out and evaluating projects; fourth, creation of new services, programs or activities. Emphasis will be given to projects in which worth-while and useful jobs are proposed and in which jobs would not have otherwise existed. Because of their need for support to continue their education, emphasis will be placed on providing jobs for post-secondary students and those about to enter post-secondary institutions. The benefits to students in terms of both income and experience will be assessed.

A fair regional distribution of benefit will be attempted, based on regional need. About 100 proposals are already being analysed: for example, a proposal by a group of blind students aided by law students for a study of the rights of blind people in areas in which there might be discrimination against them; a project proposed by a group of young people in a small rural community to develop a recreation and day camp program for chil-

dren in their area; a proposal from a group of students studying television production at a community college for a series of media workshops which will involve up to 25 additional people in each workshop; a proposal from a group of archeology students to carry out a number of archeological digs, with support and supervision of an archeological society. Also included are proposals by national voluntary agencies for projects of water safety, recreational programs, mental health services and special research projects associated with universities.

As hon. members can see, voluntary organizations in Canada have not waited, and did not feel they had to wait for announcements by the government. Their initiative has been reflected in proposals already received by a number of departments. These proposals are under consideration and within the past two days some 500 further inquiries about the program have been received by the Department of the Secretary of State.

I hope that hon. members, to whom the Opportunities for Youth documentation is being sent, will encourage this kind of voluntary action. I hope that the word will go forth from this House and from other centres of government within Canada to all citizens, to voluntary organizations and to young people in particular, so that they will respond to this challenge and join in the partnership of imagination, energy and achievement that the government hopes to develop with them. It is a challenge to citizen activism of the most constructive kind, the kind that builds nations and strengthens democracy.

• (3:20 p.m.)

Mr. Stanfield: Would the minister indicate who will decide what projects will be proceeded with? He indicated that this is a matter of students evaluating their own projects.

Mr. Stanbury: A secretariat has been established in the Department of the Secretary of State which, with the advice of an interdepartmental committee, will analyse proposals and process them as rapidly as possible in consultation with provincial and municipal authorities.

Mr. Stanfield: May I ask who will make the decisions?

Mr. Stanbury: The decisions will be made by the interdepartmental committee as projects are analysed. That process is already in the course of action.

Mr. Douglas: Could the minister tell us the personnel of the interdepartmental committee and whether or not any applications have been submitted to it?

Mr. Stanbury: Mr. Speaker, I mentioned that there have been 100 or so applications or project proposals received. As a matter of fact, the development of the program arises partly out of the expressed interest of the voluntary organizations in devising and carrying out programs themselves. The interdepartmental committee has representation from the most directly concerned departments. The secretariat of the Department of the Secretary of State also has seconded to it members from other departments.

[Mr. Stanbury.]

Mr. Douglas: If the minister does not have the names of the persons on the committee, can he say what departments will be represented? I understand there would be the Department of the Secretary of State, Treasury Board and Citizenship. Can he give us some idea what groups will be represented, if possible the names of the persons who will be on the committee, and tell us whether any of the projects have yet been approved by the committee?

Mr. Stanbury: No projects have yet been approved, Mr. Speaker. I cannot give the hon. member the names of the individuals on the interdepartmental committee, but certainly the departments most directly concerned would include the Department of the Secretary of State, the Department of National Health and Welfare, the Department of Manpower and Immigration and Treasury Board.

Mr. Douglas: Who will be the chairman?

Mr. Stanbury: I cannot give the hon. member the name of the chairman but I would be glad to discuss that with him later.

Mr. Stanfield: Could the minister indicate whether or not the interdepartmental committee has yet been established, and when will we receive the criteria governing the Opportunities for Youth Program? Can we receive these today?

Mr. Stanbury: I hope so, Mr. Speaker. The application forms and a memorandum with those forms have gone out to each of some 5,000 voluntary organizations that might be interested in making proposals, and to regional offices of the government. I have asked that similar documentation go to Members of Parliament and I hope this is available to the Leader of the Opposition immediately.

Mr. Stanfield: Has the committee been established?

Mr. Stanbury: Yes, the committee has been established.

Mr. Deputy Speaker: Order. The Chair notices that the hon. member for Yorton-Melville (Mr. Nystrom) and the hon. member for Saskatoon-Biggar (Mr. Gleave) have questions and I will recognize them. I think in view of the fact that the minister is the chief government spokesmen, it would be in order to do so. I might mention that we are using the minister's time, because the time allotted to him under the special order made earlier today has not yet expired. It will expire in about three minutes and after that I would not want to recognize any more members on questions.

Mr. Nystrom: Mr. Speaker, the minister did not mention anything about youth hostels. Could he enlighten us on what plans the government has and whether or not it is consulting municipalities on the use of high school auditoriums?

Mr. Stanbury: I did mention that we were prepared to support local initiative in this field.

Mr. Douglas: No armouries?

Mr. Stanbury: As the hon. member knows, last year in response to demand for emergency federal assistance with hostel accommodation the most readily available federal facilities were offered and staff was organized from Ottawa for these facilities. This year we are adopting quite a different approach. We are prepared to give financial support to local initiative in the supplying of hostel facilities. We feel that there are facilities more appropriate than armouries in most communities, and we already have many indications of interest from municipalities and voluntary organizations which are assessing the facilities in their communities, organizing them and will be receiving some financial assistance from the Department of the Secretary of State. But, Mr. Speaker, the federal government will not be operating hostels.

Mr. Gleave: May I ask the minister under what provision or regulation of the Public Service Commission in Canada—I am quoting him—positions in a particular locality will be filled by students from within that locality? Under what provisions of the Public Service Act will that be done?

Mr. Stanbury: Mr. Speaker, I do not presume to answer on behalf of the Minister of Manpower and Immigration (Mr. Lang), but I understand that he has dealt with this question. Perhaps he could deal with it further the next time he is in the House during the question period. I might add that the suggestion on the part of some hon. members in the Conservative party that the government is somehow passing the buck by attempting to respond to citizen initiative seems to me a most unconservative attitude. Rather than this government attemping to impose its ideas of worth-while programs on the young people of Canada, we are attempting this year, really for the first time, to show that a government of Canada can respond to citizen initiative and can recognize that there is a third force in Canadian society, other than government and industry, which provide an important impetus to our society. There is a voluntary citizen force, and we think it can be a much more powerful and productive force in this country if we respond to it.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, after listening to the hon. member for Calgary South (Mr. Mahoney) the 675,000 Canadians who are without jobs may sleep a little easier tonight, but he is obviously ignorant of the facts and is unwilling to accept the true story of what is happening in Canada. He has either been exposed to his wealthy oilmen friends in Calgary or has come down with a severe case of "Bensonitis". His having been recently appointed as parliamentary secretary to the Minister of Finance (Mr. Benson), I suspect that the latter is true and he is suffering from "Bensonitis".

Mr. Stanfield: That's a fatal disease.

Mr. Carter: Yes, it is fatal. The hon. member and his colleagues talk about economic growth, the strength of the Canadian dollar, how sound the economy is, the end of inflation and the decline in unemployment. Yet while these words are being uttered, more people become unemployed. Indeed, the unemployment rate has been steadily increasing for several months. After battling inflation at the expense of the average wage earner, the poor and unemployed, the government has given up the fight.

• (3:30 p.m.)

At the outset they deliberately created unemployment to beat inflation. The Minister of Finance (Mr. Benson) and the Prime Minister (Mr. Trudeau) admitted this when they stated that they were quite prepared to allow unemployment to rise to an almost unprecedented high figure in order to wage their so-called war on inflation. They have lost that battle and are unable to respond to either the inflation that has been plaguing the country or the challenge of unemployment. While pretending to be fighting for the little man, in the last two years the government has refused to provide adequate help for him or his family if he is unemployed.

Members of this party have asked for emergency benefits and for reform in the regulations under the Unemployment Insurance Act. The mayors and provinces have followed this lead and made the same request. In its stubborn way, this government has refused to heed the suggestions, as it has refused to heed the problems facing the average Canadian who today finds himself among the 675,000 without jobs.

The bill to increase unemployment insurance benefits now before this House is a reform measure which will have its effects in the long term. It can only be regarded as a rearguard action to cover the Prime Minister's retreat from the battlefields of unemployment and inflation. We have asked for reform of the Canada Assistance Plan, and the provinces and cities have echoed this. In its present form the plan is absolutely insensitive to the difficulties of the different regions of Canada.

The government has argued that the private sector must expand and create new jobs, yet the government has refused to bolster the confidence of the private sector by spelling out its tax reform intentions or by ending its policy of passing the buck to labour and business when it comes to inflation. By refusing to lift any of the present tax burdens, the government is preventing the economy from rising from its present despair. For example, the 3 per cent surtax has been maintained and the 11 per cent sales tax on building materials has also been maintained. The government does not even entertain the idea of selective income cuts for middle and low-income groups.

I think it has become fairly evident to most Canadians, but more especially to the 675,000 unemployed, that the Prime Minister and his Minister of Finance refuse to recognize the problems facing the nation. This is particularly true with regard to unemployment and the various statistics published by the Dominion Bureau of Statistics. They have obviously succeeded in fooling themselves. I should like to inform them, however, that they are not fooling the Canadian public in general nor the large number of people out of work. I can certainly tell them that they are not fooling the 15.2 per cent of the workers in my province of Newfoundland who find themselves

looking for jobs. Those people are not being fooled nor are their families, some of whom will probably go to bed hungry tonight.

The more we reflect upon what is happening in Canada, Mr. Speaker, the more we realize what a strange twist fate has taken with regard to this government. The Prime Minister and his colleagues campaigned vigorously in 1968 on the promise of a just society and an end to regional disparity. It is strange indeed that a government which campaigned on these promises should have taken the opposite course.

Mr. Stanfield: Equal poverty for all!

Mr. Carter: It has taken off in the opposite direction. It is a known fact to all but the Liberals, who are unwilling to admit to anything which might reflect on their leader or their party, that the economy is amiss. This government finds itself in a tailspin from which it is impossible to recover. In light of the arrogance and the stupid determination of the Minister of Finance and his leader to create unemployment in order to battle inflation, and in light of the consequent suffering and misery of a large number of Canadians through illogical and insane policies, I feel that the minister would do the Canadian public a great favour if he would offer his resignation.

Some hon. Members: Hear, hear!

Mr. Carter: As a matter of fact, I will go a step farther and make the same suggestion to the government and to the Prime Minister. If they have any sense of decency left, or any concern for the plight of the Canadian people, they should step down and let somebody else fill the breach—

Some hon. Members: Hear, hear!

Mr. Pepin: Who could that be?

Mr. Stanfield: That's what they asked in 1957.

Mr. Carter: —and let them do the job of which the government is obviously incapable.

An hon. Member: Don't worry McBride; you won't get the chance.

Mr. Carter: Mr. Speaker, this government and its leaders are bluffing themselves. They are being dishonest with themselves, with the Canadian people and with the House of Commons.

Mr. Paproski: Shame!

Mr. Carter: I represent a part of Canada known as an economically depressed area, one of the have-not provinces of this nation. Today we have reported unemployment of 15.2 per cent and I would suggest that at least another 5 per cent could be added to that figure because of the way this government has been juggling and gerrymandering the figures to cover their mistakes. It is impossible to take the figure given by the Dominion Bureau of Statistics without a grain of salt, so I say that although my province is reported to have 15.2 per cent unemployment I think it is reasonably safe to say it is probably closer to 20 or 22 per cent.

This is a sad commentary on a nation supposed to have one of the highest standards of living in the world. It is also a sad reflection on a government that campaigned on and boasted of its desire and ability to give a just society to all Canadians and to end regional disparity. The unfortunate thing is that the people being hurt by these policies are the poor, the average man, the man who earns a living with his hands and eats his lunch from a lunch-basket instead of some posh restaurant. The fishermen, the miners, the factory workers, farmers and the ordinary man on the street suffer from this government's illogical and insane policy.

I contend that if the Minister of Finance and his colleagues have any concern left for the Canadian people they should tender their resignations and let somebody take over who can do the job.

Some hon. Members: Hear, hear!

• (3:40 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was interested to hear the Minister without Portfolio in charge of kids outline his summer program for students. I have read all the stuff he has put forward and, frankly, do not understand it. I am not sure how one would go about applying for these benefits: I am expected to tell the young people and I am not sure myself how to go about it. Having listened to the minister say that there is to be set up another cabinet committee, that people will be hired to undertake studies, that agencies will be set up and that eventually they will tell us how to go about filling out forms, and so on, it looks as though we are making this a long-term project and that the kids will be drawing their old age pensions before we solve the problem.

Would it not be nice—if the government is really interested in cleaning up the environment—if it permitted the young people, in conjunction with municipalities all over the country, to undertake clean-up projects? I am not prepared to say what those projects should be. What about cleaning up the Ottawa River? Surely we could allow the kids to clean up the Rideau and Ottawa Rivers. That would give them something to do. They could pump it out, dig it out or shovel it out. The way things are going, pretty soon we will be able to shovel out the Rideau River anyway.

Surely we could help our students to work in conjunction with the municipalities and do something constructive and worth while. Not long ago I asked the Minister of Energy, Mines and Resources (Mr. Greene), who has some responsibility in this area, what a certain committee set up several years ago to deal with this matter had done. He was not sure what committee I meant and did not know what it had done. I was referring to an agreement between Quebec and Ontario regarding the Ottawa River.

Several years ago a bunch of young people came to my office. One of them was the daughter of a deputy

minister whom I knew. She was a very nice young lady and led one of the university groups in this country. She wanted to get some money to take a number of students to Mexico. For some reason they had not been taken into CUSO. They wanted to go on a project in Mexico and provide sewage and water services for an Indian village. How they heard about the Indian village, I do not know. How they thought they knew anything about sewage and plumbing, I also do not know; but they had an idea about it. They asked for help and I was influential in getting that help. It was not from the government. The government would have said, "We belong to the international organization that supports CUSO: If we were to support this other organization the Mexican government would say we were interfering in their affairs. They did not ask us, and we cannot help."

Mr. Pepin: Maybe somebody asked them, "Do you know anything about sewage?"

Mr. Peters: Maybe. In any event, the Canadian government did not help them. These young people displayed initiative and I was influential in helping them to obtain assistance from the Colonial Coach Company which supplied a bus and took them to Mexico. Before going they went around Ottawa and scrounged plastic pipes, pumps and what have you from merchants. They went down. When they came back they looked as if they had been to hell and back. Most of them had a tropical disease. Most of them went down there and suffered severely. The young lady I was interested in and who made the original request came back and spent several months in hospital. She had picked up all sorts of germs while working on the project. The point is that these young kids were willing to live in huts and in primitive conditions among the Indians of Mexico. If they could do that, surely they could help in our municipalities. Surely our municipalities make use of them. In that way our kids could clean up our environment.

It may be sad that some airports were built under make-work programs, but they are still there. We built them by paying a wage of ten cents a day, a package of tobacco a week and a pair of jeans and sometimes a shirt every two months. It is true that these were make-work programs. Some might say they were degrading. But at least the people accomplished something. Look at what was accomplished with the Tennessee Valley Authority. Look at the dam that was built. Sure the people were living on welfare; sure, it was a make-work program—but the people were able to do something and so maintain their dignity. Many young people today have not had the opportunity of working. Maybe they don't want to work. I suggest that at least we should give them the opportunity to do something worth while. The good they will be doing will benefit them in the future and we too will benefit.

The minister should become familiar with such programs. Sure, we can send kids down to Manpower centres. That is where you get the big runaround, although they are supposed to handle your problem. A young fellow went to a Manpower centre in my area and they said to him, "Come back next week." He said, "I can't; I live in Kirkland Lake." They said, "Oh, you are from out of town. You can go to the data centre and get two weeks' work." This year I managed to get four job opportunities for him and he is having a hard time deciding which one to take.

Mr. Stanbury: Things must be looking up.

Mr. Peters: The Manpower offices are not the place to send these people. They cure nothing. I sometimes wonder how in the world they help young people at all. In the final analysis, many of our young people will have to create their own jobs and decide to solve their own problems. All I am asking is this: If the young people get together with the municipalities and decide on undertaking some pollution control, will the government provide the necessary money to the municipalities? We could put all the students in the country to work along the Rideau River. If we do not do something soon and spend some money, we shall be able to scoop it out by hand. If it were cleaned up the Rideau could be a waterway that would be a credit to Canada. Basically, it would take a small amount of money. Employing young people in that way is better than seeing them travel across the country.

Does it not strike you as disgraceful that 3,000 young people will agree to make milk stools in Toronto that nobody will buy? True, they are being given the job—and they are taking dope as well. Nevertheless, youngsters who take dope do not begin as addicts. They have been making milk stools which will not be sold to anybody. These young people are not stupid; they are not from mental hospitals; they are not incapable. Many of them have come from universities—and they are to make milk stools for cows that are not milked by hand. Isn't that a sad commentary on what we as adults have tried to do for our young people? Is this considered a worthy project for young people to undertake?

Mr. Stanfield: It reflects the government's interest in young people.

Mr. Peters: I shall read the minister's speech. I am awaiting the next edition of his remarks, because without question there will be another edition. After that I shall speak and we shall tell the kids what their responsibilities are. I shall probably be able to carry on with the next chapter of my dissertation after that edition.

About a week ago the CBC presented a television program that was criticized by many people in my area. The program pointed out that one-fifth of Canada's people are being deprived of the necessities of life; they face a situation in which there is no hope, no future and no solution. The only solution for these people is welfare. The program was concerned with Mr. Rohmer's concept of the mid-Canada line. The hon. member for Timmins (Mr. Roy) and others can scream bloody murder and claim that the CBC program was a misrepresentation.

I am not arguing that CBC should not have presented that program. I am only complaining that the corporation did not suggest a future for these people. In its presentation it did not have the courage to suggest what the

alternatives ought to be. It did not even present concepts involving pie in the sky, if you like, or Utopian ideals which at least would have pointed the way to the solution of the problems of the area. The CBC is not doing a job if it portrays over television to the other four-fifths of Canada how poorly we live in the mid-Canada area. We have been exploited, abused and disadvantaged over the years and no solution has been offered.

• (3:50 p.m.)

I picked off my desk a copy of the regional disparity program of the Department of Regional Economic Expansion which is supposed to solve this problem. Two of the programs were in Granby and Drummondville. Does Your Honour agree that those are the disadvantaged areas of Canada? I have visited Granby. That area has a viable agricultural industry; the people in the area are not seriously disadvantaged. I do not say they do not need this program. I am not opposed to it. However, I suggest this kind of project cannot take place in only one-fifth of Canada, the mid-Canada corridor.

Mr. Pepin: Why not?

Mr. Peters: Because there is no one to support it. We have allowed the exploitation of that area by the mining and forest industries. There is nothing left. They have taken their marbles and gone somewhere else to play. This is the point I am trying to make. The television program showed the tarpaper shacks and run-down businesses. These businesses existed as a result of the mining industry for 40 years. My objection is that we are not offering them any hope. The minister is not prepared to attract industry to that area. We are losing millions of dollars every year. The minister is not prepared to have a pulp mill established in the area which would employ 500 or 600 people as well as an additional 500 in the bush. This would pay. I am sure it would not be a losing industry, otherwise I would not suggest it.

There are 500 to 600 miners in that area. The television program also showed Cobalt with its shacks. There has not been a substantial amount of money since they owned the Canadian hockey team, the Habitants. There are 20,000 to 30,000 people in that area. No real future is being offered to the many who have remained there. We are now losing a smelter for the reasons which I have already outlined. The federal and provincial governments have not indicated that a smelter will be installed in that area. This would employ 400 to 500 silver miners and keep the mines in operation. The CBC pointed out that this area is and will remain devastated. It was suggested that the people can move from the area. The farmers and miners do not want to move. People who have lived there for several generations do not want to move away from the forest industry.

I suggest that the program is a disservice to Canada because it does not provide an alternative for the disadvantaged people of that area. Many of the hard-core unemployed live there. Welfare recipients in the area are capable of and willing to work but refuse to do so because of the policies of this government and its neglect of the mid-Canada area.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I am glad to follow the hon. member for Timiskaming (Mr. Peters), with his series of half-baked ideas, because I would like to submit a half-baked idea of my own for the consideration of hon. members.

Mr. Douglas: Which half is baked?

Mr. Kaplan: I say half-baked because I am not certain of the full implications of the problem on which I intend to focus. I confess it has shaken some of my own thinking about the dynamics of economic growth and the kind of economic strategy we need to achieve full employment. Let me begin by noting the achievement of a "hard dollar" as evidenced by the government's inability to hold it at the discount which was established over eight years ago. I fully agree that the dollar fixed at 92.5 cents U.S. had to be abandoned. The government could not afford to hold the dollar at so substantial a discount. It had over $4 billion invested in maintaining the discount. It was a subsidy to our export industries which Canada could not afford to maintain, under growing pressure, however worthwhile it seemed.

The government likes to refer to the upward movement of the dollar as evidence of the confidence of the world in our economy. Of course it is a vote of confidence. This movement was not achieved by accident. It was the result of doing the so-called "right things" and I agree that they are the right things: first, fighting inflation and achieving better results therefrom than our trading partners; second, stressing exports and, third, attracting capital to invest here. None of these things are easy to do. All are worth doing. The government and private sector achieved them together and did them well.

The question I am asking is whether the sum total of these three admittedly good things can be a bad thing for the economy. I submit that in the aggregate it has become a bad thing, or at least new measures are necessary to make this aggregate a good thing. Let us consider for a moment the international monetary transactions which are creating the hard dollar. All these transactions, private and public, are totalled in our balance of payments.

Our balance of payments account is made up of three general categories, trade accounts, capital accounts and invisibles. Throughout our recent history we have had a net negative balance of trade, that is to say, we have imported more than we have exported—so this account has always been in deficit. It should be noted, also, that there is an important difference between the goods we export and the goods we import. Unlike the United States, Japan and France, to take three examples, the goods we export have tended to be primary products with a low labour content, while our imports have been manufactured goods with a high labour content. We ourselves are not able to consume the sort of goods which generally we export.

If trade had made up the total of our international payments accounts we would have had, as a result of the

annual deficit, a dollar which steadily declined in value. This would have made Canadian goods cheaper in world markets, and imports into Canada more costly, so that currency market forces would have driven us to import fewer consumer goods. In such a condition our standard of living would have been adversely affected. If we had begun to produce for ourselves the goods which we were importing, their cost would have been greater because we lack the national market to achieve economies of production on an economic scale. We might have achieved such economies of scale by finding international markets for our manufactured goods, but this would have been difficult because of the international protectionism of the high tariff walls which have existed to protect foreign domestic markets from manufactured goods.

We might have scaled these walls, but only if our consumer goods production costs, which are largely labour in the final analysis, had been kept low. The problem, as you can see, becomes a circle and supports my original view that such a situation would have meant a lower standard of living for Canada. Fortunately, Canada never had to face this economic scene because our balance of payments was not made up only of the trade account. There was the capital account as well, which historically always offset our trade deficit. This account reflects the balance of capital inflows and capital outflows. Here we always had a positive balance to offset the negative trade balance. This account reflected the willingness of the outside world to lend money to Canada and to buy and invest in Canadian assets and businesses. This capital inflow has developed our economy, brought resources to market and put Canadians to work. Of course, foreign capital has been supplemented by a growing contribution of Canadian capital.

• (4:00 p.m.)

Much is being said these days about foreign capital versus local capital. Political careers are being built on this issue, and judging from the experience of Hon. Stan Randall, the former minister of trade and development in Ontario, careers are also being destroyed over it. I do not want to take time in this debate to repeat my own position, which I have already put on record in *Hansard*, but for this monetary argument I have to note that no one I have heard speak on the subject, from the most fervent ideological continentalist to the most desperate provincial premier representing a depressed region and seeking only to produce work opportunities for his province, feels it is better to use foreign capital than to use local capital.

The sum of what is said at the extreme right of the spectrum of opinions is that there is no difference between foreign and domestic capital, or that if there may be a difference we need foreign capital anyway because we do not have enough domestic capital to produce economic growth. The point which I am trying to develop is that there is indeed a difference between foreign and domestic capital, an extremely important monetary difference and one which is quite apart from any arguments based on nationalism.

Economic Growth and Employment Situation

Getting back to my review of the three elements which make up our balance of payments, there is, thirdly, the invisibles account. This reflects international travel and shipping costs, but for Canada it is largely made up of interest payments, dividends, royalties and management charges. Here the balance has always been negative. That is to say, we pay out more than we receive from abroad. Fortunately, because of our continuous economic growth invisibles never fully offset our positive capital balance. Foreign capital has continued to flow into Canada at a far greater rate than the return paid on capital already invested here. Contrast our position with some Latin American countries where foreign debt service alone exceeds all other international transactions. In summary, the invisibles account represents a small offset to the positive balance in our capital account.

Summing up so far, the Canadian dollar did not constantly fall in response to our trade deficit because of the capital account positive balance. It was the continuous capital inflow which permitted us to pay for our imports which, I noted, have tended to be largely consumer goods for which our own production could not be economically substituted.

The remarkable development which has occurred in the last two years has been the disappearance of the traditional Canadian formula for balancing payments. I believe that few people in Canada recognize the implication of our new situation. I suggest that the government has not yet adequately come to grips with it. The new situation has been referred to as a "reverse exchange" crisis. The source of this crisis is that our balance of trade has finally become positive, an event which any eighteenth century mercantilist would regard as an absolutely good thing. The business community is proud of it and the government is very proud of it.

Judging from market predictions for our natural resources in world markets, there will continue to be a positive balance into the future so long as we want one. But in coming to this point we have run up against an inexorable monetary law. When the balance of payments is positive in capital and trade, and not fully offset by invisibles, the Canadian dollar goes up. We are today in exactly the position we were in when the dollar was released from 92.5 cents Canadian. The government has, again, a $5 billion investment in keeping our dollar below U.S. parity. This investment is a subsidy to exporters and to domestic manufacturers of goods which compete with imports. But I do not see how the government can hold the tide of pressure caused by the net inflow.

There was an article this morning in the *Globe and Mail* which called for the dollar to be pegged at somewhere close to 92.5 cents. This request is sadly naïve. It is asking the government of this small country, in effect, to risk all our resources to support the United States dollar. It would make our dollar the biggest bargain in the world, and foreign speculators would descend in hordes to take advantage of the government subsidy. It is impossible to fight the fundamental, long-term prospect of disequilibrium with a subsidized dollar.

I propose to the government an approach toward solving this disequilibrium crisis based on the analysis I have

just made. But before I do that I wish to review why it is a bad thing to have our dollar shooting upward. In general terms, the answer is obvious. Ask the producers of primary products. They sell in world markets and in U.S. dollars. The disappearance of the discount has cost them between 6 and 7 per cent in gross sales revenues which is, of course, serious. But, where it really hurts is in our secondary manufacturing industry. It hurts, first, because the dollar climb makes imports cheaper in our domestic market and, second, because it makes our exports less and less competitive in foreign markets. In this connection, I believe the dollar movement is a great factor in the current unemployment situation in the Canadian manufacturing sector, the closing of branch plants and the general deceleration of domestic production than any other factor, including the government's past restraint policies.

The irony of it all is that the very inflow of investment dollars which provides some opportunities and jobs in Canada is helping to tip the balance further against the industries which have the best hope of offering employment to our growing population: or at least—and this is an important qualification—some of the foreign inflow has this effect.

The argument of those who feel that capital has no nationality is rebutted by the simple fact that when foreign capital inflows push up the dollar, as they do when there is a trade surplus—as there is now—a domestic dollar invested in Canada is indeed better than a foreign dollar investment, because the domestic dollar invested provides jobs and production without putting upward pressure on our dollar, while the foreign investment dollar, under present circumstances, does press our dollar upward and helps destroy markets, domestic and foreign, for Canadian manufactured goods, thereby adversely affecting job prospects. The same irony exists in connection with our export trade surplus, based as it is on primary products and given our positive balance in capital accounts. In effect, the mercantilist conventional wisdom is reversed.

Let me ask and answer the question: What good does it do us to sell so many primary products abroad if all we get is foreign dollars which push up the value of the Canadian dollar and close our factories because foreign-manufactured goods become, thereby, much more attractive to us? It is possible for us to achieve a viable economy based on such an economic strategy, that is, one based on the export of foreign natural resources? Such an economy can mean prosperity for our country but it is a prosperity based on sharing revenues which are earned by only a minimum of labour.

So long as the resources last, a small population in Canada could receive the revenues and buy goods from abroad, more or less like the royal family of Kuwait living on some kind of gilt-edged welfare plan. But we could not provide employment for a growing population or long-term economic stability. And Canadians do not project for themselves a future as a small country, living on depleting natural resources, exporting population and primary products.

[Mr. Kaplan.]

An hon. Member: Time up!

• (4:10 p.m.)

Mr. Kaplan: On a point of order, Mr. Speaker, I wonder if I might ask the indulgence of the House in order to conclude my remarks. I have almost finished.

The Acting Speaker (Mr. Richard): Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker: The hon. member does not have unanimous consent. The hon. member for Joliette (Mr. La Salle).

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to deal with the motion introduced by the New Democratic Party regarding the unemployment problem which concerns all members of this House. It is not the first time that the opposition parties have introduced a motion on this evil of modern times.

In view of the adverse effects of this situation, it is of course difficult to remain silent when we have an opportunity of expressing certain constructive views. I should like above all to convince our honourable friends, the government members.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Where was the hon. member yesterday when we were discussing the matter of textile products?

Mr. La Salle: Mr. Speaker, the Minister of Industry, Trade and Commerce is asking whether I was in the House yesterday during the debate on textile products. I am a member of a committee which for the last three weeks has been studying a bill which is just as important, Bill C-176, and owing to its significance for my constituency, I want to tell the minister that I was not wasting my time.

Mr. Pepin: See you on Monday, then!

Mr. La Salle: I will certainly discuss the matter if I have an opportunity.

Mr. Speaker, in view of the current situation and of the various opinions which have been expressed, and recognizing the evil that unemployment is, I must point out the failure of the government to solve this problem.

I am not suggesting, Mr. Speaker, that the government has not done anything but we know for sure that it has not done enough.

Of course, members of the opposition are taken to task for their failure to make positive suggestions. All opposition parties made very good suggestions in the House. We regret, of course, that the government too often turns a deaf ear to our proposals.

Mr. Pepin: Go on. Give us a brief summary of that.

Mr. La Salle: Mr. Speaker, I would like to take this opportunity, like several others, to deplore the failure of

this government to deal with unemployment. Under the pretext of fighting inflation, they have deliberately created that situation. I will refrain from quoting figures since we can see them daily in the press and in *Hansard*. However, I still believe a responsible government should create a human, receptive, safe atmosphere that encourages investment—something which has been lacking these past six years because it has not been fostered.

Does the full blame rest with the government? Is this situation due to present economic conditions not only in Canada but throughout the world? One thing is certain, the situation is getting worse instead of improving.

For my part, I asked a couple of ministers as well as the Prime Minister (Mr. Trudeau) whether it would not be possible to call an emergency meeting of all those in Canada involved in the economy, i.e. representatives of unions, of industry, provincial governments and federal government. Such a meeting is obviously necessary. The reply I received was merely that they did not see the necessity for it. But the government which says it is responsible should at least have the courage to recognize that it has not found the answer. Does anyone know the magic solution? Maybe not, but I think that we would at least have a chance of finding a valuable and profitable one for all society if we were to call a meeting of all those interested in the economy.

Thus we could prove that it is in the interest of financiers, of the responsible people both at the labour and employer levels to meet and try to find a solution. Management, faced with the good faith of the government—which has yet to be demonstrated—would invite everyone to co-operate more directly with the government; they would certainly be pleased to offer their co-operation and to advise the government on labour matters, because it seems that the government needs such counselling. In fact, I think that industrialists, financiers and union experts might advantageously give advice to the government.

This is why I suggested some time ago that the government should seriously contemplate the establishment of the old age pension at 60. As thousands of workers are in the 60 to 65 age bracket, I think it would be profitable to contemplate seriously this possibility which, at the same time, would open job opportunities to thousands of young people since 40 per cent of the Canadian unemployed are under 25. It would be normal, humane, and just, I think, to allow some 300,000 workers—this total represents the number of workers aged 60 to 65—to retire so that the young might find jobs, because they at least want to work. The older workers deserve a rest and an increase in the old age pension.

Who would pay for this? That is the question we shall be asked. At the present time, a person who lives on unemployment insurance benefits and social welfare allowances costs approximately $100 per week to the taxpayer. This amount could be paid to those entitled to the old age pension and this would be less expensive than to grant social welfare allowances to 700,000 or 800,000 unemployed people, as is now the case. Then I imagine that this measure could partially settle the present unemployment problem.

I hope that the government will seriously consider this proposal and that there will be an end to the charges that our remarks are nothing but negative criticism. I believe that this policy should be seriously studied and applied if we are sincere when we say we wish to solve the unemployment issue, as this policy could create a favourable social climate. In fact, it would permit our citizens to retire at 60 on a decent income.

• (4:20 p.m.)

Mr. Speaker, I should like also to deal for a few minutes with the program put forward this week regarding students. The minister deplored earlier that the hon. members did not dare approve this program. Of course, I readily recognize that this program is desirable. But is it enough? No, unfortunately, considering that almost one million students will be seeking employment this summer and that the plan provides opportunities for 500,000 students only, since our budget is approximately $14 billion and the money allotted to these programs amounts to approximately $57 per student. We might have done better.

Mr. Pepin: Private enterprise will have to pitch in.

Mr. La Salle: Mr. Speaker, we will surely need private enterprise, and that is why I thought the government would call as soon as possible a meeting of business leaders who could advise the authorities quite objectively, thus enabling them to get good results.

Mr. Speaker, I feel it is up to the government to provide jobs for students next summer.

I deplored recently the government's failure to give an objective answer to the resolution passed by the Young Liberals Convention concerning the creation of a civil corps which would have enabled those young people to find employment, a responsibility which, besides, rests with the government.

Then, the refusal to seriously consider this resolution is unfortunate and surely alarming for the students. This civil corps would have allowed the government to put a certain number of young people at the disposal of municipalities where they are urgently needed.

For instance, this summer, some small municipalities will need young people of both sexes as counsellors at playgrounds and summer camps. All they can do is hire one or two counsellors for 500, 600 or 1,000 school-children, and that is not enough.

I think that as members of Parliament, it is our duty to ask the government to set up such services.

Mr. Pepin: Why not vergers?

Mr. La Salle: The Minister of Industry, Trade and Commerce is not serious, which is unfortunate because I feel this debate should be really serious.

Mr. Pepin: While we are at it—

Mr. La Salle: In any event, Mr. Speaker, I am also thinking of all that could be done to fight pollution.

Economic Growth and Employment Situation

A while ago, a member of the New Democratic Party mentioned very simple work in conjunction with the development of our land, our rivers, our towns and cities.

Some of our streams could be developed in order to attract the tourist trade, and with most interesting financial results. Should the matter be fully looked into and the required facilities be provided in order to promote such projects?

I sincerely hope that my brief remarks will prompt the government to take constructive action. I am not one of those who only make negative criticism. On the contrary, it is my responsibility to suggest certain measures but it is up to the government to listen to us and take action. In this case, we might hope that the Canadian people will regain their confidence in their governments, because at present, that confidence seems to have lessened. Of course, up to a certain point, governments are right but, in my opinion, members of the opposition must keep challenging the government if they want it to have a better understanding of its responsibilities. The members' participation in the drafting of legislation would result in a better quality of life and in a better climate for all Canadians.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I will be brief. First of all, as it is the day of the New Democratic Party and that they were very nice when they let us discuss our motion last Tuesday, I will try to be as brief as possible.

I wish to commend the New Democratic Party for the motion it has introduced today. It supplements somewhat the statement made on March 16, 1971 by the Prime Minister (Mr. Trudeau) when he announced his employment and activities program for students.

When listening to the Prime Minister making his announcement, I immediately understood that it was a statement well structured and oriented towards an ideal to be achieved. Besides, he said in his statement that everyone must have an ideal, but that the problem lies in achieving it. I wish to draw hon. members' attention on these points today. The problem we are dealing with, Mr. Speaker, is very important since it affects the young generation. No one in this House could remain irreceptive to its implications.

We understand the government's difficulties with unemployment. There are approximately 700,000 unemployed and thousands of people on welfare. Soon, nearly 990,000 of the 1,800,000 students from our schools will be unable to find employment. We recognize that this is a very serious problem for the government.

This problem must be faced and all members of this House should partake in a collective effort to solve it in the best possible way.

I take exception to the fact that the government once more is late this year in applying his programs. I am afraid our conclusions might be the same as last year. The programs had been introduced too late and approximately 60 per cent of the students, during their holidays—at least in my area—kept looking for work, with the result that by the end of their holidays, they were nowhere near their goal. They could earn absolutely nothing. This is the situation I dread again this year, on account of this delay.

Right after the statement from the Prime Minister, three students from the University of Ottawa happened to be in my office. I told them: According to the Prime Minister's statement, you have to inquire from the departments, since there is nothing definite; he only told us that four departments would look after the operation of the program and that eight or nine categories of jobs would be created.

At that point we started phoning the Departments of the Secretary of State, National Health and Welfare, Manpower and Immigration. We were referred back from one department to the other. They said: At the present time there is nothing definite or clear. Call the Manpower office.

So I did. At both Manpower offices in my area, they replied: Mr. Gauthier, we know no more than you do about it. Whatever we know we learned through the newspapers.

• (4:30 p.m.)

We would be justified in asking ourselves some important questions. This is why Information Canada has today forwarded to me a synopsis of programs set up by the four ministers who will be concerned with providing jobs to students.

The hon. Secretary of State (Mr. Pelletier) will be able to spend approximately $29 million for the implementation of four separate programs: Opportunities for youth, Transient youth service, Group travel and Language training. The same will apply to the Minister of National Health and Welfare (Mr. Munro) who will seek to establish training camps for athlete-students and to the manpower offices where youth centres will eventually be established.

I contacted the offices in my riding and was told that a student had been asked to handle qualified candidates and they are still wondering whether they will find any.

I believe that we will have to contact these offices immediately in order to staff them adequately. I think that in the riding of Roberval which is fairly large, there are only two manpower centres. Five students per office would not be too many to try and administer the proposed program.

Hon. members will note that I am not criticizing the program directly; I am simply criticizing the delay in its introduction and at the end we will know whether it is effective or not.

Such a program should have been introduced, as some professors believe, at the beginning of January so as to enable school authorities to let the students know about it so that they would be well-informed at the end of the school year.

Unfortunately, everything will be done quickly, everybody will run and people will realize that no organization was selected to find employment, to organize groups of workers, which will be the cause of great difficulties.

The Department of National Health and Welfare is concerned with pollution and drugs. I had thought of two or three organizations that could investigate the drug problem, for instance, in my constituency. An inquiry could also be made on pollution. That would be of interest for the groups of young people entering the community, who would find an opportunity to do useful work.

I have here the publication of the Public Service Commission. I should like to have certain things clarified, especially that part of the publication where it is said:

Students from universities, CEGEPS and community colleges in provinces other than Quebec can choose between two methods to apply for summer employment in the Civil Service of Canada.

—either through the Civil Service or the Manpower Department.

Mr. Speaker, I wish to call the attention of the minister to the use of the words "in provinces other than Quebec". I am wondering what we can tell our young people if Quebec is excluded. I would not know if this means that Quebec has its own organization. Perhaps there are university centres in Ontario as well as in Quebec, but I should like to have this matter cleared up, namely, where should our young people be told to direct their applications?

In fact, I intend indeed to try and find out, in my own region, everything that might help the young in order to implement this program, as I have already started to do. Every home, every board of trade and every municipality will receive, during these coming days, a copy of this publication in order to give our region a chance and publicize the programs made available to people by the department. I think that such is the work of a House member, and this is why I shall probably have discussions with the hon. minister in order to insure the implementation of this program.

Mr. Speaker, I do not want to take up the time of the House, because I know that several other hon. members have also remarks to make. I would like simply to say, in conclusion, that we are satisfied with this plan, because it will enable us to call upon all young people so that they may take part in a constructive endeavour instead of being allowed to wander about throughout their holidays, not knowing what to do with their hands.

[*English*]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I listened with a great deal of interest to the speech of my colleague, the hon. member for Don Valley (Mr. Kaplan). Because of the firm agreement which we had on time limitation, he was not able to complete his speech. But knowing the interest of other hon. members I shall try to anticipate what he might have said had he been able to complete his speech, and if I make extensive use of some notes I hope this will be overlooked by hon. members opposite.

Mr. McGrath: This is a dangerous precedent.

Mr. Bell: Where did the speech come from originally?

Mr. Francis: The hon. member for Don Valley is capable of producing original speeches himself, and this is one he produced this afternoon. The hon. member said that Canadians want an increase in population and a sophisticated manufacturing economy with which we can express a distinctive life-style and generate economic autonomy. We do not want, therefore, to be locked into a natural resource export situation. Then he might have gone on to state the dilemma which our economic strategists—

The Acting Speaker (Mr. Richard): Order. I have no objection to the hon. member reading a speech, but I am sure he would not want to attribute the whole of his speech to somebody else.

Mr. Francis: Mr. Speaker, I am just trying to complete a few remarks that were being made by the hon. member for Don Valley and which will be the basis of my personal comment. I hope there will be no objection to my doing this.

The Acting Speaker (Mr. Richard): The hon. member may proceed provided he follows these remarks with his own comments.

Mr. Francis: The hon. member was stating the dilemma which our economic strategists must face. We know that the export of primary products and the import of foreign capital each separately create job opportunities, but operating together they are pushing up the cost of our exports in foreign dollar terms and closing down our manufacturing economy. In this context, the problem is how to achieve the most important goal of all—the growth of job opportunities. Four solutions have been suggested. Two steps in solving the problem are obvious, if not necessarily easy to apply, and the government already is working toward them. First, we must try to achieve better utilization of our own capital. Remember that when we invest our own capital to create jobs and products, we do so without hardening our dollar. This is one of the main focuses of the work of the Department of Industry, Trade and Commerce. It is also a justification for the establishment of the Canada Development Corporation and for the negotiations to keep Home Oil Canadian.

Second, we have to try to get dollars out of Canada, if this can be done without affecting job opportunities here. This part of the reasoning, which presumably, lies behind the recent lowering of the rediscount rate of the Bank of Canada and the fairly rapid response of the private banks in lowering their rates, indicates indeed that some shift-out of Canada of short-term capital was justifiable. This has taken some pressure off our dollar, but there is a limit to how far we can go and the disequilibrium is by no means corrected.

Third, and this is something not yet adequately understood by the government, we could try to impose a higher labour content in our exports. We are making some headway in this area but more will be needed especially if we are to satisfy the less-developed regions of Canada that the struggle to provide job opportunities will not be confined to urban manufacturing but will be fostered on-site or close-to-site in respect of areas con-

cerned with primary production. This is surely a condition of viable federalism.

• (4:40 p.m.)

Fourth, we need a policy to assure that the foreign capital which comes to Canada will not just add to the hardening of our dollar but will provide a high prospect of productive employment for Canadians. There are, of course, other dimensions to a policy on foreign investment which I and others have raised before in this House and will not refer to today. What I have tried to show here is that there is even a monetary reason for a foreign investment policy.

So far as we know, the government has proposed no comprehensive policy on foreign investment, but I am also impressed with the complexity of the problem and the necessity to think through all the implications before assuming responsibility as a government. I look forward to the policy being put forward by the government as soon as possible. Meanwhile, considering our reverse exchange crisis, I think it would be highly desirable to establish an interim foreign exchange control system which could be administered by the government or the Bank of Canada and which could have the effect of taking some of the pressure off the Canadian dollar; that is, the pressure which has been created by the movement into a positive balance of payments position.

It would be the job of the administrators of the control system to give and withhold approvals of currency exchange conversions based on the considerations which I have enumerated this afternoon—to keep domestic borrowers from going abroad for funds to achieve only marginal savings when there would be undesirable balance of payment effects, to retain foreign takeovers, which offer substitution of ownership only, but to permit foreign investments which meet positive growth criteria.

This is an interesting point of view, Mr. Speaker. I followed the hon. member's contribution to this debate. In a previous statement he indicated that he favoured a system of wage and price controls. Today he has added the suggestion of foreign exchange controls because of the strength of the Canadian dollar, and that its adverse affects should be considered. The language of the motion before us is interesting. It attempts to condemn the government for failing to institute the economic planning necessary to bring about economic growth, full employment and price stability. In framing this motion, members of the opposition have added the failure to achieve stable exchange rates and a stable balance of payments situation. These are elements which economists try to study in order to give guidance to public authorities. The problem of Canada today is to balance these multiple objectives. To the extent to which a government achieves one, it frequently sacrifices another. In the point of view of the official opposition and the mover of this motion, this is quite easy. To the extent that government achieves price stability, it can be condemned in respect of the unemployment question, and vice versa.

The thought that I would like to leave with hon. members this afternoon is that this problem is not unique to Canada. It is one which is a challenge to conventional economic wisdom throughout western society. There is no clear guidance given by economists on how to achieve these goals. Government has to take responsibility for policy. It cannot retreat through a maze of mathematical calculations. The government has to live with the elements of instability.

Mr. Speaker, I am one who does not believe that the solution lies in the direction of expanding controls. I am a little older than the hon. member for Don Valley and I remember World War II very well. I remember the control systems devised in that period. I know that although we had rent controls we had to pay money for the key to an apartment. I know we wanted for many things, and we had ration books. These things caused problems in the marketplace. I know that society can make controls work, but at a price. In many ways the nature of society is altered. This problem is not to be considered lightly, and I feel that we still have the challenge of trying to work things out within the framework of institutions that have done very well, before undertaking alternatives as drastic as those proposed by my colleague.

This government has acted within the framework of conventional economic wisdom and has tried to do the right thing. We have tackled the problem of price stability, but the difficulty is that when we do the right thing we suffer the consequences. By maintaining stable prices and a reputation as a good place for investors we have created an unstable exchange situation. To the extent to which we create upward pressure on our dollar, we create a situation where it is difficult to achieve regular employment objectives. By following policy we have achieved certain objectives, but have created a situation where we cannot achieve others.

To the dimension in which my generation studied economics has to be added the dimensions of a new generation which may be different. We were greatly impressed by the eminent economist Keynes; the word "Keynesian" meant a great deal to us. The government must follow monetary and fiscal policies, and to this we have now to add another dimension—it must have economic intelligence. We have to guess what our major trading partners will do, and we have to arrange our monetary and fiscal policy so that we will do a little better—but not that much better—in the way of price stability than our trading partners. The problem of controlling inflation, creating high levels of unemployment, stable exchange rates and desirable rates of economic growth is a challenge to western society. Indeed, today western Europe is showing symptoms of this kind of malaise.

The government has done many things to attempt to deal with the problem which is the specific issue of the motion—unemployment. I could enumerate the measures which have been announced. On March 17 the Minister of Industry, Trade and Commerce (Mr. Pepin) announced in this House a series of contracts for Canadian shipbuilders. This was the result of a program, instituted by the government last fall, of subsidy for vessels of foreign ownership as well as Canadian. This program involved contracts of $64 million for ships to be built, two at the Port Weller drydocks in St. Catharines, three in Quebec and others in Saint John, New Brunswick. This program

will provide a great deal of employment and is the result of a very specific policy to achieve this end.

As described by the previous speaker, we have announced a number of programs to assist students this summer. There have been a number of specific measures proposed, but time limits me from going into detail. This is a result of the wisdom of conventional advice being put forward by those who have special responsibility in this matter, Mr. Speaker. I look to the economists in the universities and elsewhere in Canadian society who are free to assess the problem and give advice. They have a great job to do, and the challenge is as much with them as with anybody else.

Mr. Lorne Nystrom (Yorkton-Melville): After listening to the hon. member for Ottawa West (Mr. Francis), Mr. Speaker, I have the impression that we do not have many problems in this country. When we solve one problem we go ahead and create another one. He seemed to say that in order to solve the problem of high costs and inflation we have to create unemployment, and then to solve the problem of unemployment we have to create higher costs and more inflation. This is the type of conventional wisdom with which many people are becoming fed up. It is smug, upper middle-class Liberal rhetoric and is not helping the poor or the unemployed, the people on fixed incomes or old age pensioners.

• (4:50 p.m.)

It is very easy for us in this House to pat ourselves on the back. I think that too often many who sit in the seats of power do not know what the world is like outside. How many of these people have been out there? How many know what it is to go hungry and not have enough money to buy clothes for their children or live in a decent house? I do not think they know about these things. It is very easy to treat people as statistics, ledgers or files. It is easy to look at this country and the world in terms of gross national product and unemployment rates going up or down half of 1 per cent. We seem to forget the human element of society, and the hon. member for Ottawa West has once again demonstrated this.

Yesterday the hon. member for Esquimalt-Saanich (Mr. Anderson), a Liberal member, was talking about some of these things. I think he knows about these matters better than some of us on this side of the House, because he sits in the Liberal caucus. That Member of Parliament claims that he is being shoved aside by the establishment on the government side of the House.

Mr. McGrath: Shame!

Mr. Nystrom: He says he has been informed that the government is removing him from membership of the joint parliamentary committee that is to investigate pollution in the Arctic and elsewhere. He says that all they want around here are people who will stay in line, who will lick boots and who will keep their noses clean. I think that just about sums up what many people are starting to think about the government of Canada. It is very smug, very complacent and somewhere up in the clouds.

Economic Growth and Employment Situation

Yesterday the unemployment figures were released for the month of February. I notice that many government members seemed to take great satisfaction from the fact that unemployment went up by only a few thousand as compared with the previous month. Yet still over 8.1 per cent of the Canadian people are unemployed: there are 675,000 people registered as unemployed. I suggest, Mr. Speaker, that this is not the complete story, that thousands of people in Canada are unemployed but are not registered in the unemployment figures. Many of these people have families. If you were to add them all up, I am sure you would find that over two million people in Canada are affected one way or another because of our high rate of unemployment.

Let us look at two or three instances of unemployment in the country. We find that unemployment has gone up in Quebec; it now stands at 10.4 per cent of the labour force. In Atlantic Canada it stands at 11 per cent of the labour force. You can talk about national unity and about one country, but I suggest that if this country is to stay together, all regions must be equal partners within confederation. The Prime Minister (Mr. Trudeau) and the Liberal party have talked much about cures, about ridding Canada of regional disparities and of making this country united. That government has done more to destroy unity in this country and to set one region against another than any government in our history. Factors like the 10 per cent unemployment rate in Quebec are causing this disunity. Is it any wonder that many Quebeckers are saying today, "Maybe we should consider getting out of confederation".

Mr. McGrath: The unemployment rate is 15.2 per cent in Newfoundland.

Mr. Nystrom: My hon. friend says that the unemployment rate in Newfoundland is 15.2 per cent. It stands at 11 per cent in the Maritimes generally. That is completely unforgivable—the Canadian people should not forgive this government for deliberately creating unemployment as a means of fighting inflation. It has done so deliberately. The Minister of Labour (Mr. Mackasey) boasted in this House on January 20 that the government has created unemployment. He said, as recorded at page 2507 of *Hansard:*

> It takes courage sometimes to create unemployment. We have created unemployment in the textile industry and we will probably create it temporarily in other industries—

Mr. Douglas: It also takes a lot of stupidity.

Mr. Nystrom: My leader says that it also takes a lot of stupidity. Economists have said we have probably lost $5 billion in production as a result of high unemployment in Canada. This means that governments in Canada, federal, provincial and municipal, have lost between $1 billion and $1.5 billion in tax revenue. They would have gained that revenue if the people had been working and producing. The people of Canada do not want handouts; they do not want welfare. They want opportunities to work.

Since I have only a few moments left, may I say a few words about another group of people which is taking the brunt of the government's unemployment policies, the

young people of Canada. We have discovered that almost half the unemployed are under 25. They are the ones who are supposed to be building the country for tomorrow and who will be tomorrow's leaders. If they cannot find work, is it any wonder that many of them are turning to what we call an undemocratic way of changing society? Is it any wonder that some of them are questioning the contemporary ways that the hon. member for Ottawa West talked about so proudly a few moments ago?

We have to find work for these people. There is no reason why we cannot do so. We have all the resources we need, all the technology, all the educational skills and all the educational know-how. We need government priorities and programs that will put people first. The government has announced a policy under which it will employ young people. According to the government, nearly one million students will be joining the labour force between now and the end of June. What will happen when all these people join the labour force? Even more will be unemployed. Even more will be frustrated because they will not have the chance to make a few dollars in Canada and make a contribution to this country.

The program that the government announced contained a few points that were good. But why was the program not announced earlier so that community organizations and others could undertake planning and participation? It seems to me that the program announced by the Prime Minister is to be administered on a completely ad hoc basis. It has come too late and will do too little. I think much of it is mere tokenism, for the benefit of the young people of this country. The time will come when the young people will demand action and results.

An hon. Member: Five o'clock.

Mr. Nystrom: I could say many more things, Mr. Speaker, but my time has almost expired. I conclude by saying that it is very easy to sit around here and be complacent, to say what great people we are, what a great government this is and what great members we are. It is about time people who said that came down from their ivory towers into the real world that is outside this chamber.

[*Translation*]

The Acting Speaker (Mr. Richard): Order. As it is five o'clock, pursuant to Standing Order 58(11), the debate on the motion before us is deemed to have come to an end.

[*English*]

I wish hon. members an enjoyable weekend. Sunday, for sure, is the first day of spring—March 21. This should gladden hon. members' hearts. However, having followed the weather forecast, I say "Beware the Ides of March," keep warm, keep home, enjoy a pleasant weekend.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME IV